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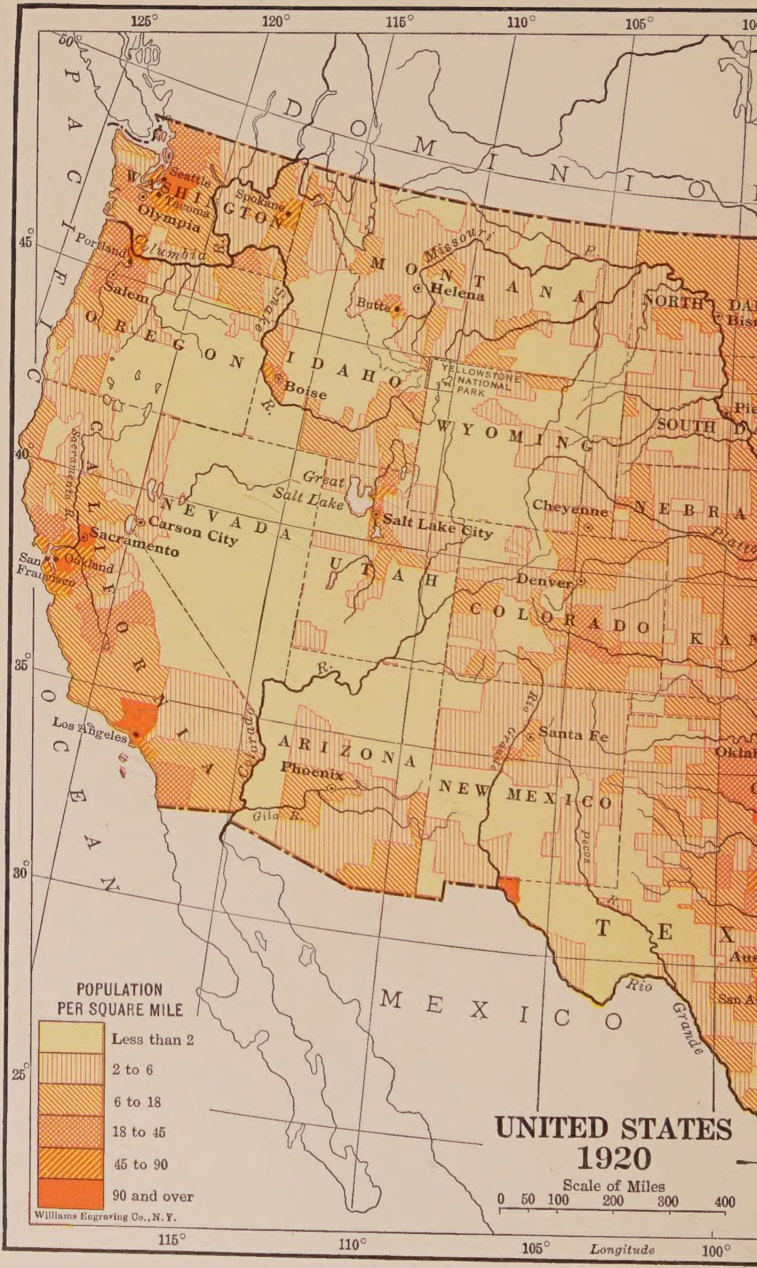
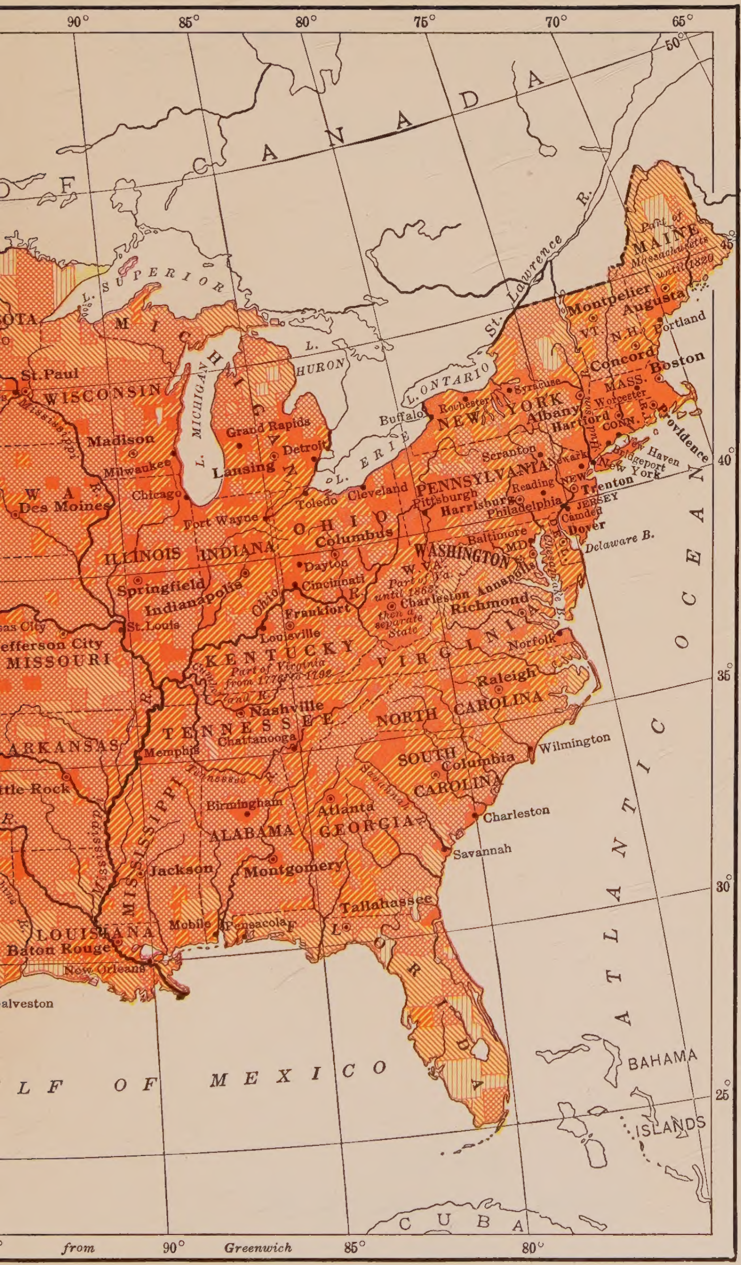

UNITED STATES
1920
Scale of Miles
0 50 100 200 300 400
POPULATION PER SQUARE MILE
Less than 2
2 to 6
6 to 18
18 to 45
45 to 90
90 and over
Williams Engraving Co., N. Y.
Longitude
125° 120° 115° 110° 105°
115° 110° 105° 100°
50° 45° 40° 35° 30° 25°
PACIFIC OCEAN
DOMINION
MEXICO
WASHINGTON
Seattle
Tacoma
Olympia
Spokane
Portland
Columbia
Salem
OREGON
Snake R.
IDAHO
Boise
MONTANA
Missouri
Helena
Butte
YELLOWSTONE NATIONAL PARK
WYOMING
Cheyenne
NORTH DAKOTA
Bismarck
SOUTH DAKOTA
Pierre
NEBRASKA
Platte
CALIFORNIA
Sacramento R.
Sacramento
San Francisco
Oakland
Los Angeles
NEVADA
Carson City
Great Salt Lake
Salt Lake City
UTAH
Denver
COLORADO
KANSAS
Colorado R.
ARIZONA
Phoenix
Gila R.
NEW MEXICO
Santa Fe
Rio Grande
Pecos R.
TEXAS
Oklahoma
Austin
San Antonio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C A N A D A
F
L. SUPERIOR
St. Lawrence R.
L. HURON
L. ONTARIO
L. ERIE
L. MICHIGAN
MICHIGAN
MAINE
Part of Massachusetts until 1820
Augusta
Portland
Montpelier
VT.
N.H.
Concord
Boston
MASS.
Worcester
R.I.
Providence
CONN.
Hartford
New Haven
Bridgeport
New York
NEW YORK
Albany
Syracuse
Rochester
Buffalo
Hudson R.
Scranton
Newark
NEW JERSEY
Trenton
Camden
PENNSYLVANIA
Pittsburgh
Harrisburg
Reading
Philadelphia
Dover
Delaware B.
Baltimore
MD.
WASHINGTON
Annapolis
Chesapeake B.
W. VA.
Part of Va. until 1863, then a separate State
Charleston
Richmond
VIRGINIA
Norfolk
NORTH CAROLINA
Raleigh
Wilmington
SOUTH CAROLINA
Columbia
Charleston
Savannah R.
Savannah
GEORGIA
Atlanta
ALABAMA
Birmingham
Montgomery
Mobile
Pensacola
Tallahassee
FLORIDA
MISSISSIPPI
Jackson
Mississippi R.
LOUISIANA
Baton Rouge
New Orleans
Galveston
TENNESSEE
Tennessee R.
Nashville
Chattanooga
Memphis
KENTUCKY
Part of Virginia from 1776 to 1792
Cumberland R.
Louisville
Frankfort
Ohio R.
OHIO
Cleveland
Toledo
Columbus
Dayton
Cincinnati
INDIANA
Indianapolis
Fort Wayne
ILLINOIS
Springfield
Chicago
St. Louis
WISCONSIN
Madison
Milwaukee
Grand Rapids
Lansing
Detroit
St. Paul
MINNESOTA
IOWA
Des Moines
Kansas City
Jefferson City
MISSOURI
ARKANSAS
Little Rock
R.
GULF OF MEXICO
ATLANTIC OCEAN
BAHAMA ISLANDS
CUBA
from
90°
Greenwich
85°
80°

RECENT AMERICAN HISTORY

BY

LESTER BURRELL SHIPPEE

PROFESSOR OF HISTORY IN THE UNIVERSITY OF MINNESOTA

WITHDRAWN

Revised Edition

New York
THE MACMILLAN COMPANY
1930

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PREFACE

Six years ago, when *Recent American History* first appeared, the World War was still fresh in the mind of everyone and the irritation left by that struggle and by the contest over the ratification of the treaty of Versailles affected all thinking. Now it is nearly twelve years since Armistice Day. The college students of today, most of them, have no first-hand impressions of that stupendous cataclysm which so profoundly shocked an older generation; they are, however, living in an America which in numberless ways bears the impress of that war—an America so different from the one of fifty or even twenty-five years ago that a modern Rip van Winkle, thrust into the middle of 1930, would be far more perplexed than the poor old man portrayed by Irving.

This book represents an attempt to tell how the United States of Reconstruction days has become the United States of mass production, jazz, prohibition, airplanes, talking-pictures or radio; how a society with an essentially rural outlook has been forced more and more into an urbanized mold. The earlier portion of the story has been revised in parts while the later chapters have been rewritten to bring the account down to the spring of 1930. With appreciation of the good nature of college teachers who, despite its faults, found something they could use in the former edition, it is hoped that this edition may be more helpful to them and to the reader who wishes to find some of the reasons why the United States has become what it is today.

LESTER BURRELL SHIPPEE

MINNEAPOLIS, MINN.,
May, 1930

PREFACE TO THE FIRST EDITION

In treating any portion of the history of the United States one is immediately confronted with the fact that there are not only numerous lines of development, each of which might be the subject of research and exposition, but that in a country so vast and so varied there is opportunity for the study of sections which differ materially from each other in people and in institutions. No period illustrates this diversity more than that after the Civil War. Nevertheless, just as for each American there is a common interest in national life, so there may be a composite picture which may be called national history. An attempt to present that national development after the close of the war between the sections, and particularly after Reconstruction ended, is the purpose of the following pages. The story is taken through the spring of 1923. For much of this period events are too recent to have permitted anything more than tentative conclusions: time alone allows the perspective by which unimportant details take their proper place in the background and really significant happenings stand out clearly. It is hoped that this book will be of value to all interested in studying the later years of American development and particularly available for use in college courses dealing with the period. The Bibliographical Note which follows each chapter is intended to call attention to a wider range of reading on the various topics indicated in the text.

LESTER BURRELL SHIPPEE

MINNEAPOLIS, MINN.,
September, 1924

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RECENT AMERICAN HISTORY

RECENT AMERICAN HISTORY

CHAPTER I

THE SOUTH AND RECONSTRUCTION

In April, 1865, when the United States emerged from the greatest military struggle the world had yet known, the union was saved and slavery had all but disappeared. The price of union and freedom was high: it had been paid in blood and treasure; it was still to be paid in taxes, in maimed lives and, heaviest toll of all, in sectional estrangement and bitterness. At best, the vanquished were bound to experience the humiliation of defeat, the more intense because conqueror and conquered must live together under the same government and weave again the tangled threads of a common economic, social and political existence. Readjustment, under the most favorable conditions, was a delicate task especially on the political side, and governmental reorganization would, in large degree, condition other rearrangements. Tact, firmness and goodwill were required in full measure.

Tentative steps toward political reconstruction had been taken during the course of the war when, for example, the administration uniformly supported the Pierpont government of Virginia, even though, after West Virginia was admitted to the Union, it was a mere shadow. Then, late in 1863, President Lincoln in his Amnesty Proclamation outlined a method whereby the states which claimed to have seceded could resume relations with the Union. Whenever people equal in number to ten percent of the voters of the state in 1860 would take an oath to support the Union thereafter, would organize a loyal state government, and would agree to abide by all anti-slavery measures until and unless they should be repealed or pronounced unconstitutional, then the president would recognize this as a loyal government. This proclamation demonstrated Lincoln's idea that the confederate states had never left the Union but their governments had fallen into the hands of the wrong people, and loyal governments would reappear if the submerged unionist elements were encouraged. Furthermore in pardoning the rank and file of southerners, Lincoln demonstrated his idea that the war ought not to end in wholesale punishments. Restoration and not retribution weighed with him. In congress, however, opposition to Lincoln's plan of reconstruction developed. In part it grew out of a feeling that political readjustment belonged to the legislative and not to the executive arm; in part it sprang from the belief of the radical faction of the Republicans that the South must be punished and forced to some sort of public repentance. Added to these grounds of opposition was the conviction of many that the South would re-establish slavery at the earliest opportunity. The Wade-Davis bill, passed in the summer of 1864, incorporated the more stringent conditions favored by the Radicals. Lincoln pocketed the bill but, just after congress adjourned, issued a proclamation to put congress's plan before the people as one mode of reconstruction. He did not feel, however, that it was the only proper way, and he particularly objected to putting an end to those governments which had already been organized under his proclamation terms.

JOHNSON'S RECONSTRUCTION MEASURES

With the death of Lincoln fell the chances of going through with a mild plan of reconstruction. A judge of men and an opportunist who knew the futility of butting a stone wall, Lincoln could have worked out a compromise solution if any one could. With Andrew Johnson in the White House the whole situation changed. Johnson was able, narrow, tactless, and stubborn; he was, moreover, a strict constructionist and a determined champion of the constitution's integrity. He represented that element in southern and border states which hated and more or less feared the slave-owning aristocracy of ante-bellum days. He would not, therefore, be inclined toward mercy to the vanquished. Consequently in him the Radicals saw a supporter and not an opponent to their notions of reconstruction. And, indeed, President Johnson said much to comfort the Radicals in the weeks immediately following the death of Lincoln when feeling was running high and there were rumors that Confederates had been behind the assassin.

Before long Johnson's attitude changed, as two proclamations issued on May 29, 1865, demonstrated. One was an amnesty proposal, modelled in general on the one which Lincoln had issued in 1863, but excepting from presidential pardon several more classes, some of which distinctly showed the president's animus against the old southern political leaders. The other, appointing a governor for North Carolina, outlined a plan for organizing a civil government which the administration would recognize. Soon other temporary governors were named, and the work of readjustment was on in the South, so that by December of 1865 all of the eleven states which had seceded, except Texas where the process was delayed, had organized working governments, had seen the withdrawal of the troops, and had sent to Washington senators and representatives. Three states, Louisiana, Arkansas and Tennessee, had reorganized under Lincoln's proclamation. In Virginia the Pierpont government was the nucleus of a loyal state organization, and in the rest the change had come under authority of Johnson's proclamations.

The rest of the country seemed to acquiesce in the president's work, but radical Republicans were far from satisfied. If this reconstruction work should be accepted as final it not only meant a continuation of that presidential supremacy which had been marked during the war, but it let the South off without public confession of sin and without punishment. Undoubtedly the Radicals represented a minority opinion when they set out to undermine what had been done. They had, however, the advantage of a smoothly working organization under the leadership of such men as Charles Sumner in the senate and Thaddeus Stevens in the house. They did not have a definite program, but they did have a general idea of what they wanted accomplished: Stevens avowedly hated the average southern white and wanted to see him punished; Sumner desired to see the work of the war rounded out by elevating the freed Negro to a position of social and political equality with the white. Opposed to the Radicals were conservative Republicans who had no clear cut program, and Democrats, still under a cloud because of the Copperhead element in their ranks. The Democrats were embarrassingly willing to accept the president's program, and the conservative Republicans were not opposed to it if it could be adjusted to make it appear that congress had not been overlooked. Had there been some one to coalesce this anti-Radical strength, as possibly Lincoln might have done, there would have been no chance of putting through the measures which came in the next few years.

When congress assembled the radical group put through the Republican caucus a carefully elaborated plan to bring the whole question of southern reconstruction before a joint committee which, as constituted, was dominated by the extreme faction. Then the southerners who presented themselves as senators and representatives were refused seats in the respective houses and so would have no voice in determining their fate. Knowing that as yet neither congress nor the country had swung around to their views the Radicals played a most astute and careful game, taking advantage of all stories of disorders in the South to emphasize the idea that slavery might be re-established, and profiting by Johnson's mistakes and misdirected zeal to place him on the defensive and turn public opinion against him. Opportunities to play up the southern situation and to direct adverse attention to the president were not lacking. The "Black codes," which were adopted in most of the states where slavery previously existed, were seized upon to claim that the outlawed institution might return under another name; conflicts between whites and Negroes were exaggerated. Reluctance of southern legislatures to ratify the thirteenth amendment was played up.

Under the leading of the Radicals, partly working through the Reconstruction committee, congress passed a new Freedman's Bureau act which the president vetoed because it perpetuated a war measure and extended the operations of this organization over states which had never seceded, like Kentucky or Maryland. Then, despite an overwhelming local popular vote against it, the right to vote was given Negroes in the District of Columbia. A Civil Rights bill was vetoed by President Johnson, who, before congress had been in session long, had come out definitely against the Radical plans. This bill, which for the first time defined citizenship in the United States, would place Negroes and whites on a plane of equality before the law, something which obviously had to be done since the freedman could not be left hanging between heaven and earth, neither a slave nor a citizen with definite status. Johnson's ill-advised veto of this measure lost him the support of many moderate Republicans in congress and in the country at large.

The joint committee meantime had been holding hearings in Washington, less with the idea of bringing out facts than of presenting for public consumption the kind of propaganda which would make people believe that the South was unrepentant and merely waiting for an opportunity to reassert itself. Then, partly as an object lesson both to the South and the North, Tennessee was readmitted to the Union and in this state a Radical government immediately instituted. In order to prevent any subsequent congress from undoing the work already accomplished there was framed, for ratification by the states, an amendment with many different propositions. In the first place a citizen of the United States was defined as one born or naturalized in the United States and subject to the jurisdiction thereof; states were denied the right to deprive such a citizen of life, liberty or property without due process of law. Abolition of slavery, as was provided in the thirteenth amendment, necessitated a readjustment of the basis of representation; instead, however, of merely stating that the total population was to be counted to ascertain the quota for representatives and direct taxes, Negro suffrage was to be forced upon the states by allowing congress to cut down the representation of any state which deprived adult male citizens of the right to vote. The debt of the United States was validated and that of the Confederacy was repudiated. The president's pardoning power, which was being freely used for the benefit of southerners, was curtailed by denying political privileges to certain classes active in forwarding the struggle against the United States and vesting in congress the right to remove such disabilities by a two-thirds vote.

When the session closed no definite plan of reconstruction had been adopted, but the laws which had been passed, including a remodelled and restricted Freedman's Bureau act and the Civil Rights act passed over the veto, as well as the discussions in both houses, had clearly indicated the Radical program. The debate on various measures had brought out conflicting views as to the status of the southern commonwealths ranging all the way from the administration concept that secession had never had legal actuality and that the states persisted as entities, to Stevens' theory that they formed a conquered region with which congress could deal as it pleased, or Sumner's notion that they had committed suicide and must be revived by the national legislature.

The congressional elections of 1866 gave an opportunity of testing the public sentiment. All factions entered the campaign with as much zeal as though it had been a presidential canvass. No fewer than four national conventions testified to the excitement. The president, against the advice of some of his councillors, took the stump, and in his "swing around the circle" afforded more ammunition to his opponents by his rash and violent remarks. When the returns were in it was shown that the Radical strength had been augmented by some fifty votes in the house and increased in the senate.

The Reconstruction Plan of Congress

Considering the elections to be the equivalent of a mandate from the people the Radicals did not wait for action by the fortieth congress but in the last session of the thirty-ninth proceeded immediately to write their reconstruction program into law. The first reconstruction act, the tenure of office act, and a rider to the army appropriation bill were the tangible evidences of the program. The reconstruction act put an end to the already existing governments in ten states, in spite of the fact that these governments were functioning and had brought about a general reign of law and order in the South. The ten states were grouped into districts over each of which was to be placed a military commander with power to supplant the local governments with martial rule. Then, in general terms, the scheme for re-establishing civil governments was outlined: all males of voting age, who had not been disfranchised for participation in the rebellion, and including Negroes, were to be registered; delegates to a convention were to be chosen to frame a new state constitution, to be adopted by a majority of those registered, which must be submitted to congress for approval. This constitution must provide for the continuance of Negro suffrage. The fourteenth amendment, which was proving unpopular in the North, must be ratified, and then, when this amendment had become a part of the constitution, congress might readmit the state. The tenure of office act was calculated to curb the president's power of removal, and especially it was intended to keep the secretary of war, Edwin M. Stanton, who was the sole Radical sympathizer in the cabinet, in office. Every removal had to have the assent of the senate to be valid. The provision in the army bill deprived the president of a portion of his powers as commander-in-chief of the army in order that he might interpose no obstruction to the working of the whole plan. Just before final adjournment it was provided that the fortieth congress should convene immediately upon the close of the thirty-ninth instead of in December.

As no southern state took steps to carry out the provisions of the reconstruction plan, and because the first act supplied no administrative details, the fortieth congress supplemented it by a second act. Then, with the appointment of military commanders and subordinate officials, the work of congressional reconstruction in the South began. Since President Johnson, on the advice of the attorney-general, directed the commanders to allow state and local governments to function wherever possible, congress enacted a third law stating that this was not the intention of previous legislation and that in every case the military was to be supreme.

The way was now cleared for action. Conventions, dominated by Carpet-baggers, or northerners who had gone south, Scalawags, or renegade Confederates, and Negroes, met and framed constitutions which were generally rehashings of older fundamental laws. In every state except Texas very drastic franchise provisions were included to deprive as great a number as possible of one-time Confederates from voting or holding office. Alabama and Mississippi, where Negroes outnumbered the whites, and Virginia had the most stringent suffrage restrictions. When elections were held under these constitutions it was found that the Carpet-baggers, Scalawags and Negroes controlled most of the offices, and practically all the men elected to congress were Radicals. By the middle of 1868 all but four of the states in process of reconstruction were ready for readmission. Alabama had defeated the constitution because a majority of those registered did not vote. Mississippi cast a majority of votes against the constititution. The work was stopped in Virginia when the commandant refused to authorize an election, so disgusted was he with the work of the convention which had been moved by more than ordinary animosity against the ex-Confederate. Texas held no election because the convention made no provision for it.

The results in Alabama were the direct cause of the fourth reconstruction act which made a majority of the votes cast sufficient to ratify a constitution. Since the legislatures of seven states, including Alabama, ratified the fourteenth amendment, congress, without waiting ratification by the necessary number of northern states, passed an act admitting them to the union. Military commanders turned their authority over to civil officers and these states entered upon the most miserable period of their careers. Virginia, preferring the rule of the soldier to that of Negroes and Carpet-baggers, never experienced the horrors which afflicted her sister states, for, in 1870, at the advice of President Grant, congress allowed the electorate to vote on the obnoxious clauses of the constitution separately and they were rejected. Mississippi and Texas, however, were not able to escape the common fate.

In 1868, as a part of the reconstruction program, congress turned to a subject which had already come up before. President Johnson, in his persistent attempts to curb the Radicals, had incurred their lasting animosity. As early as 1866 the question of impeachment had arisen, and in the session of 1867 it was seriously considered. The tenure of office act, and Johnson's proceedings under it, gave a plausible ground for action. In the late summer of 1867 the president removed Stanton from the war office and appointed General Grant in his place. When congress met he placed the facts before the senate but that body refused to concur in the removal, whereupon General Grant resigned and Stanton automatically resumed control of the department. Johnson had wished Grant to retain the office in order to test the validity of the tenure of office act in the federal courts; indeed, he believed that a promise to do so had been given. Out of the difference of opinion grew the estrangement which caused General Grant to lean more to the Radicals and eventually to identify himself with them.

Once more to bring the question before the courts Johnson removed Stanton and appointed General Thomas in his place, whereupon congress hastily passed an act to prevent a hearing of the case by the federal courts. Then, believing that they had a case which would command the support of the North, the Radical leaders in the house proceeded to bring against the president a series of charges, for the most part based on the removal of Stanton and the appointment of Thomas. There was no difficulty in carrying the impeachment through the house and, in the spring of 1868, it went to the senate for trial. There, in spite of the utmost pressure which the Radicals could exert, the necessary two-thirds vote could not be obtained, for all the Democrats and a few moderate Republicans voted against the two specifications which were used as a test of strength. Those Republicans sealed their political doom by this vote. After the impeachment the part which President Johnson took in national affairs was negligible.

The Working of Reconstruction

For a period varying from some months to seven or eight years, as in the case of Florida, Louisiana and South Carolina, the eleven states of the one-time Confederacy, and even West Virginia may be added to the list, lived under the blighting rule of inefficient and corrupt Radical governments. "The under rail was on top" with a vengeance. Lawlessness and disorder prevailed to an alarming degree; reckless extravagance and almost unparallelled venality on the part of officials meant tremendous increase of state and local debts, except that in Mississippi no state debt could be contracted, and great increase in taxation. For anything like an adequate idea of what reconstruction meant for southern states one has to read contemporary accounts or special studies which have been made for many of the regions.

Radical governments depended on suppression of the political power of many of the whites and maintaining the Negro, under the guidance of small numbers of the other race, in full possession of the vote. Of course, congressional action was the foundation of Radical supremacy. Locally the control of offices meant perpetuation of authority so long as the protecting arm of the national government was not withdrawn. Even before congressional reconstruction destroyed the governments organized in 1865 various agencies had been at work among the Negroes to impress upon them the necessity of keeping Republicans in office to prevent the re-establishment of slavery. The Freedmen's Bureau, particularly after the act of 1866, tended more and more to become a political agency, although, especially in its earlier days, it had done excellent work in relieving distress among the people of both races. Educational work among the Negroes and even churches too frequently were little more than political tools.

A very large proportion of the colored people were brought into the Union League or similar associations, and the principal function of these groups was to secure a straight Republican vote. When, somewhat tardily, the old leaders realized the desirability of getting the political support of freedmen, it was too late. At first the Radicals included considerable numbers of whites, especially those who had not taken an active part in governmental affairs in ante-bellum days. But there was constant friction, because these people looked upon the Negroes as economic rivals and cordially hated them. Wherever there were authentic stories of abuses of colored people they could usually be traced to this class rather than to the planters who saw in the one-time slave an inferior being but not an object of dislike. Scalawags, or those who had for one cause or another left the mass of the southern whites to ally themselves with the Radicals, gradually fell away as they became disgusted with the methods used and the results produced. Consequently Republicans came to mean Negroes, northern Carpet-baggers and federal office holders, leaning all the time more heavily on the Washington government.

If the Radical leaders in congress had anticipated that the structure they erected under the reconstruction acts would be solid enough to stand by itself they were soon disillusioned. Even as early as 1868 there were indications that the edifice would have to be propped up. In the presidential election that year it was the Negro vote of the southern states which carried General Grant into office, and in several of these states the loss of political control was threatened. Congress, therefore, rushed to the aid of the tottering structure by passing the resolution embodying the fifteenth amendment which would prevent a state from denying the right to vote on account of race, color or previous condition of servitude. By 1870 three-fourths of the states had ratified the proposition, although it was necessary to force certain southern commonwealths, including Georgia which went through a second probation, to ratify as a condition to full participation in federal affairs. Congress then passed, in 1870 and 1871, two acts to enforce this amendment, so that elections came under federal rather than state control. An act to enforce the fourteenth amendment was likewise passed to give federal authorities more power to protect Negroes in their civil rights. This measure, sometimes called the Ku Klux act, among other things was intended to put an end to the activities of organizations which had sprung up as early as 1867 to control the Negroes.

Launched in Tennessee, where a Radical government was in operation before the congressional plan was made ready for the other states, the Ku Klux Klan was the outgrowth of the exuberance of some young men who started it to compel restless and marauding Negroes to stay at home and keep the peace. The movement grew, took a political aspect, and soon spread to most parts of the South. In its early days it enlisted the support of many if not most of the Conservatives, as the opponents of the radical Republicans called themselves. Dressed in weird garments and playing upon the superstitious fears of the colored folk the Klan succeeded in restoring order to sections which had been so terrorized that women and children had scarcely dared go abroad, much less leave their homes at night. The Klan, between 1867 and 1870, was a potent factor in counteracting the Union League, and had much to do with decreasing the Negro vote. After about 1870 the more responsible elements of the community gradually withdrew from the organization, and, while it persisted in name for some years, it was more a cloak for lawless groups which were joined by young men who created for themselves about the same sort of reputation which the Union League had gained.

In the act for enforcing the fifteenth amendment, passed in 1870, a section was directed against those who should "band or conspire together, or go in disguise upon the public highway, or upon the premises of another, with intent to violate" any provision of the act. At about the same time congress authorized an investigation of the Klan and other similar organizations, such as the Knights of the White Camelia, which had originated in Louisiana. After taking voluminous testimony the committee reported all the facts it was able to discover, and to this report and the accompanying testimony is due most of the knowledge obtainable about these impromptu vigilance committees. The report stimulated the passage of the Ku Klux act of 1872. A local flaring up of the Klan in South Carolina in 1874 gave President Grant an opportunity to put in force the provisions of the act which authorized him to declare martial law in a specified region, and some nine counties were subjected to military control for a brief period. Investigations showed that this resurgence of the Klan was purely local and its activities a distinctly anti-Negro demonstration.

The Ending of Reconstruction

After 1872, when the Ku Klux Klan had become insignificant, other organizations, such as the White Man's Party of Alabama, or the Mississippi Shot Gun Plan, carried on in a more open manner something of the same work, especially in places where Negroes outnumbered whites. Yet it was not so much these extra-legal organizations which gradually ushered in restoration of white control. By 1872 there was clearly observable in the North a tendency to abandon a policy of coercion. Men were tired of trying to "reform" the South by outside agencies, and entertained a conviction that after all it would have to deal with its own problems. Moreover, it was seen that the tactics of the Radicals had produced an unforeseen result—a "solid South." The Republican party failed to win a foothold among the mass of southern whites; it had become a party of Negroes and Carpetbaggers. Furthermore the border states, disgusted with the trend of events, had tended to ally themselves with the commonwealths farther south, and Republicans steadily lost the tenuous hold which had come as a result of conditions immediately following the war.

One after another, in spite of congressional efforts to keep Radicals in power, southern states returned to conservative governments. By the end of 1870 the Radicals had been ousted in Tennessee, Virginia, Georgia and North Carolina. In 1868 Louisiana would have followed the same course, and Alabama in 1870, had it not been for the fifteenth amendment and the acts for its enforcement. Under these, elections were virtually placed under control of deputy marshals of the United States who were to "keep the peace, and support and protect the supervisors of elections in the discharge of their duties," and generally regulate the canvass. In other words they were to maintain Radical authority. Moreover, at the request of the marshals the president was empowered to send federal troops to their support. So long as the machinery of elections remained in the hands of Radicals, and this was likely to be the case so long as troops could be obtained to sustain them, there was little chance of changing the situation.

In 1872 general political conditions in the country were such that important modifications took place. As early as 1869 there had started within the Republican party an anti-radical movement which originated in Missouri where post-war bitterness was expressed in practical proscription of Confederate sympathizers and of Democrats in general. By the winter of 1871–1872 this movement had gone to the point of splitting the party into the Liberal Republicans and the regulars. The Liberal Republicans favored stopping the reconstruction program where it was, in order that attention might be turned to pressing questions of civil service and to economic problems, especially the tariff. While the Liberal Republicans failed to carry the country in the presidential and congressional elections, the agitation did rebound to the benefit of the South in that congress passed a general act, under authority of the fourteenth amendment, whereby political disabilities were removed from all but a few hundred of those originally proscribed.

The congressional elections of 1874 overturned the Republican majority in the house of representatives, and for the first time since the spring of 1861 the Democrats had a voice in national legislation. The drift of public opinion was sensed by the president who was less inclined to order federal troops into a southern state to aid the Radicals. Consequently, by the fall of 1876, all the reconstruction governments had come to an end except in Florida, South Carolina and Louisiana, and in those states the Radical forces were on the defensive.

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CHAPTER II

RECONSTRUCTION IN THE NORTH

The South, in the years immediately following the close of the Civil War, was so much affected by the problems of its own peculiar situation that there is no inconsistency in treating that section by itself and considering what went on in the rest of the country separately. In national political affairs the voice of the South was impotent until well into the seventies. Its economic concerns, while more or less interacting with those of the rest of the Union, were, after all, pretty much local.

NORTHERN PROBLEMS

Nevertheless the North had its own problems of reconstruction apart from regulating the conquered section. Four years of war had brought changes in many ways. The constitution, under the manipulation of its "friends," had become warped so that it was never to be the same again. The war had produced profound modifications in the economic life of the North and West; new industries had arisen, others had been stimulated, and there had been readjustments of capital and labor. War fortunes and war poverty had shifted social classes. Then, affecting the whole structure of society, the years of war had brought new ways of thinking. It had produced what war usually does, a slackening of the moral fiber, and made people blind to many things which, formerly, would have filled them with disgust or horror. Generally speaking the people of the United States never exhibited so great laxity in matters of public morality as in the eight or ten years which came after 1865.

One of the earliest issues presenting itself as an after-war problem was financial reconstruction. When the struggle came to an end there was a national debt of nearly three billions; taxes, both on internal production and on imports, were higher than they had ever been, and specie had long since disappeared from general circulation. The two outstanding needs were funding the debt and re-establishing gold and silver in ordinary exchanges. Some progress was made with both during President Johnson's administration, for in financial affairs congress did not exercise its domination over the White House to such an extent as it did in other ways. Upon the recommendation of Secretary McCulloch of the treasury department the first attempts at refunding outstanding obligations were made, although it was not until 1870 that a thoroughgoing act was passed. Furthermore, somewhat reluctantly, congress authorized the secretary to begin the retirement of the Civil War greenbacks in order to decrease the circulation of paper money and force gold and silver out of hiding. A brief post-war economic depression in 1866 and 1867, however, stopped greenback deflation so that by the close of the Johnson administration very little change had been effected.

In fact the question of resuming specie payment, or retiring the fiat money, in other words United States notes or greenbacks, came to be a political issue. While at first there were few who advocated continuing the makeshifts of the war, as time went on there were larger numbers who believed that not only was it necessary to keep the greenbacks in circulation but that the country would benefit by their increase. Another angle of the controversy was found in a proposition sometimes called the "Ohio idea," or the "Rag Baby," as it was dubbed by opponents, which was that the government should pay the principal and interest of bonds in greenbacks wherever the law did not specifically provide for hard money. Such a scheme, if carried out, would decrease the value of certain government securities because paper money was worth less than its face value when measured in gold. Nevertheless, considerable groups were convinced that this was equitable since, as they contended, it would mean that the soldier or other person who had been paid in depreciated greenbacks would no longer suffer in comparison with the holder of government bonds, who, in some cases, had purchased them with the same depreciated currency. It was, however, more than a mere domestic question since large blocks of bonds were held abroad, and arbitrarily to decrease their value would amount to repudiation and the credit of the United States would suffer correspondingly.

Another immediate problem was created by turning nearly a million soldiers back to civilian life, similar to, although not identical with the problem in the South. Under any circumstances a sudden dumping on the market of so much labor was bound to upset a delicate balance, nevertheless readjustment in the North was effected with relatively little disturbance. Several factors contributed to this end. In the first place most of the rank and file of the army were young men who had entered the service before establishing a definite place in the economic life of their comunities. Then, and this was by far the most important, the government possessed millions of acres of land which could be easily obtained. In 1862 the homestead bill had been enacted, and under its terms any citizen or declarant might take up a quarter section and obtain title by residing on and improving it. Moreover, every person who had been in the army or navy might deduct from his five years of residence as much time as he had been in service. Hence, for the man who was not satisfied with the niche he would have to slip into at home there was always an opportunity to start over in a new region. The public lands had been a determinative agent from the beginning of American history, but never did they play a more vital part than in the years following the Civil War.

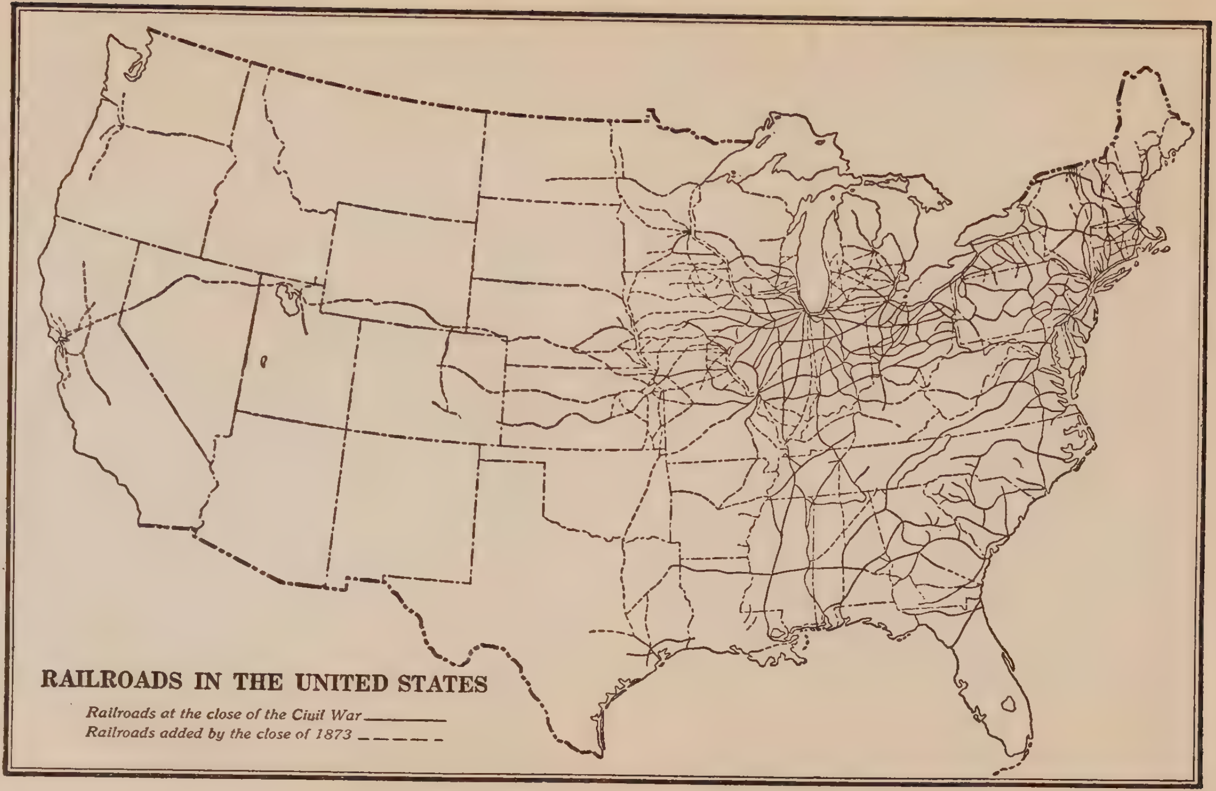
Aside from relieving the economic pressure in older communities free and cheap land meant rapid filling of the region west of the Mississippi. Millions of acres in the newer states and the territories were taken up, both by Americans and by newly arrived immigrants, for the tide of migration, which had been checked by the panic of 1857 and again by the war, began to swell by 1864 and from then until the depression which followed the panic of 1873 the stream was constantly growing. Some of the newcomers remained in the eastern states where the quickening economic life of the times afforded jobs, but thousands sought land.

Both a cause and a result of this westward flow were the railroads, which especially between 1869, when the Union Pacific was completed, and 1873 stretched farther and farther into new regions. In 1862, when secession had removed southern opposition from congress, an act encouraging the building of a transcontinental road had been passed; public land and a money subsidy in the form of bonds secured by a mortgage promoted a line which reached from Council Bluffs to San Francisco. With the completion of the Union Pacific and Central Pacific roads came one of those almost incredible bursts of railroad building fervor which left the upper Mississippi valley fairly well supplied with means of transportation by the time the crash of 1873 came.

Politics and the Election of 1868

All of these factors, and many others, combined to influence the political life of the day. Inevitably southern reconstruction colored everything for a time, but, with the way cleared by elimination of southern obstruction, the Republican party was in a position to write its economic program on the statute books. A protective tariff, which the Republicans had adopted with other Whig dogmas before the war, had come in 1861. The exigencies of the war itself had conspired to increase duties so that when peace came the country had a higher general range of imposts than ever before; the manufacturing North and East were not averse to a continuation of the system. The homestead measure had been enacted principally by Republican votes. Internal improvements at national expense had come up in a new guise with land grants to railroads, although support of this policy came from both parties and was sectional rather than partisan. When there was a desire to carry out a program for southern reconstruction and an intention to prevent any interference with general policies, added to a yearning to cling to office with all that meant, it was not strange that the dominant party intended to sit tight.

After the test of strength in 1866 there was little question about the outcome of the subsequent presidential election, especially if the southern states were prevented from participating or if their governments were controlled by Radicals. Almost anyone put up by the Republican party would have been elected, and when General Grant, as a popular hero, was selected the outcome of the canvass was a foregone conclusion. The Democrats, however, determined to make a fight on a program of opposition to Radical reconstruction and economic issues. President Johnson evidently thought that he ought to be considered, and for a time



RAILROADS IN THE UNITED STATES

Railroads at the close of the Civil War ———

Railroads added by the close of 1873 — — — —

Chief Justice Chase was talked of, but the national convention would have none of either. That convention was seriously divided on the matter of national finance; westerners rather generally were opposed to retiring the greenbacks and many of them favored the Ohio idea. The strength of this faction was enough to write its financial program into the party platform, but the presidential candidate was Horatio Seymour of New York whose monetary ideas coincided with those of most eastern Democrats; that is, opposition to continued inflation and a desire for hard money.

The campaign was hot. When the count was completed it was found that Grant had about three million popular votes, while Seymour electors received some 2,700,000, although the Democratic electoral vote was 80 and the Republican 214. If it had not been for the Negro vote which carried six states of the former Confederacy Seymour would have been elected. As it was Georgia and Louisiana returned Democratic electors.[1]

FOREIGN ISSUES

In spite of temporary excitement over the election the public was not vitally interested in political affairs because business was booming and continued to do so throughout Grant's first administration. Such intense devotion to personal matters left little room for much else. In no way was this demonstrated more than in the absolute indifference most people exhibited toward the relations of the United States to the rest of the world. There were a few issues remaining from the Civil War but most of these were cleared up before Grant assumed office. For example, there had been some uneasiness over the apparent attempt of Napoleon III to get a foothold in Mexico through the so-called empire of Maximilian. When the Confederacy collapsed only the presence of French soldiers and the expenditure of French money kept the tottering monarchy in existence, so that, after a somewhat peremptory demand from Secretary Seward, with the withdrawal of foreign forces Maximilian and his few adherents were overwhelmed and Mexico was again left to her own devices.

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[1] By a joint resolution adopted July 20, 1868, the votes of Virginia, Mississippi and Texas, all as yet unreconstructed, were not counted.

The purchase of Alaska, "Seward's folly," was likewise a direct result of what had taken place during the war. The people of the North had been convinced that Russia was their only powerful friend in Europe, so when that country evinced a willingness to sell the northwest corner of the continent Seward was agreeable and a treaty was concluded for the purpose in 1867. With some difficulty ratification by the senate was obtained, although many senators freely stated that they would never have voted to sustain it had it not been a case of paying a debt of gratitude. When Seward's scheme of acquiring the Danish West Indies came up the same senators frowned upon it immediately and the matter dropped.

A relic of war-time relations with England, however, was provocative of more concern. During the war rebel cruisers had been built and fitted out in England or her dependencies and these had seriously injured American overseas carrying trade. The government and the people of the United States not only felt that England had been hostile to the North but that England's government was guilty of violating international law. When the war ended attempts were made to secure some satisfaction, but not until the close of Johnson's administration did anything tangible result. The Johnson-Clarendon treaty provided an adjustment but it was rejected by an overwhelming vote in the senate, with no notable discussion aside from Sumner's speech in which he put forward claims based on intangible damages. When President Grant was in office he withdrew the treaty and the matter rested for a year. In the annual message of 1870, however, the president adverted to the matter and this paved the way for a negotiation, early in 1871, conducted by five commissioners appointed by each country. The Treaty of Washington was the fruit of the effort. By this covenant there was provision for an arbitral tribunal to which the whole question was to be submitted, and after many delays that tribunal met in Geneva to hear the presentation of both sides. In the end an award of fifteen and a half million dollars was made to pay for direct losses caused by those cruisers which had wholly or in part been built or equipped on British territory. A deep grievance, a potential cause of more serious trouble, was thus removed, In addition to the Alabama claims, as these cases were collectively called, other matters were dealt with by the Treaty of Washington. A new adjustment of the fisheries question was made, and the title to the San Juan Islands, a little group lying between the main land and the island of Vancouver, was referred to the German Emperor for settlement. The award gave the islands to the United States.

While the Alabama claims had been a subject for consideration President Grant had been impressed with the desirability of securing some foothold in the West Indies, the lack of which during the war had been a source of much trouble to the North. The Dominican Republic, which occupied about half the island of Haiti, offered an opportunity which eventually brought a treaty for the annexation of this small but restless community to the United States. As had been demonstrated shortly before in the question of the Danish islands, the American people were not in an imperialistic mood. Consequently, despite the keen interest of the president, no enthusiasm could be aroused and the senate summarily disposed of the matter.

Funding and Resumption

Of domestic issues under Grant one of the earliest to occupy congress's attention was funding the public debt. In the campaign of 1868 the Republican party had gone on record as favoring the maintenance of the country's credit by repudiating entirely the scheme of paying any portion of this obligation in greenbacks. Indeed, after the election was over congress by resolution stated that it was the intention of the country to meet every dollar of its bonded indebtedness in hard money. But that debt, which had been dealt with temporarily under President Johnson, had to be put into a manageable form, and this brought the funding act of 1870. According to this there was to be an issue of fifteen, twenty and thirty year bonds, at varying rates of interest, to raise money to pay off Civil War obligations. The process of refunding was retarded by the outbreak of war in Europe, which made the money market there sluggish, so that it was several years before the whole transaction was completed. Nevertheless, it was done, and, to the astonishment of European financiers, the whole affair was accomplished without any material disturbance of economic life.

When it came to resuming specie payments and retiring the greenbacks, however, there was less unanimity of opinion. In fact, while the Ohio idea had not commanded wide support, there were sections of the country which had become used to the paper money and were disinclined to do anything which looked like reducing the currency in circulation. This was particularly the case in the Mississippi valley and in the South. In both those sections the question cut across party lines, so that no such harmony could be obtained as was manifest in the southern program or in maintaining the tariff. Moreover, the monetary question was in part responsible for the appearance of a third party movement, one phase of the so-called Granger movement.

Agrarian Unrest

The money issue was not the only cause of an agrarian uprising, nor, indeed, was it the strongest cause. In the newer regions, like the West, and those which were not keeping pace with the general economic advance, like the South, the years following the war saw recurring periods of political unrest. To the West, which had generally profited by abnormal war conditions, there came years of hard times. In 1865 and 1866 the farmer was hard hit by the return of peace. His products commanded lower prices while he continued to pay dearly for commodities and services, especially transportation service. Out of the unsatisfactory situation arose the Anti-Monopoly Revolt against railroads, steamboat companies, elevators and other facilities on which the farmer was dependent. This outburst, however, was short lived, for the farmer shared to some degree in the boom which characterized the late sixties and early seventies.

The cessation of protest, nevertheless, was but a lull in the storm. Railroads, which had been built in advance of demand, charged high rates and other service facilities cost more than the farmer felt was just. Furthermore premonitions of the crash which came in 1873 were felt in agricultural communities before they reached other parts of the economic structure. The outcome was the Granger movement, which took its name from an organization started in 1869 to improve economic and social conditions among the farmers, the Patrons of Husbandry or the

Grange. Although not a political organization in itself the Grange afforded a means for expressing discontent, and as local Granges grew until they numbered thousands in the West and South and were by no means negligible in the rest of the country, they furnished the soil out of which real political organizations could spring.

In the early seventies, despairing of obtaining relief through the old parties, local political organizations began to appear. From this it was but a step to state organizations so that by 1873 and 1874 no fewer than eleven states, all in the Mississippi valley, had Anti-Monopoly, Independent or Reform parties. Unanimously these groups sought to obtain control of state governmental machinery in order to put railroads and other public service organizations under legal control. In Illinois, for example, a drastic law regulating common carriers was enacted only to be found unconstitutional by the supreme court of the state. The following election defeated the judge who had read the obnoxious opinion and put the Grangers in control of the legislature which enacted another law avoiding the controversial points of the first. While few states went as far as Illinois there was a general tendency to curb public service corporations, especially the railroads, by fixing maximum rates and prescribing equality of service.

By 1875 and 1876 the movement had nearly spent itself, nevertheless its ideas had been disseminated throughout the land and the old parties, for a time seriously rent by the agitation, had absorbed some of the Granger notions. A portentous phenomenon of the whole affair had been the tendency of the weaker of the old parties to co-operate with the independent units in order to defeat the dominant faction which, in the West, was usually Republican. No unanimity on the greenback question was observable among the independent parties; in some cases they were for hard money, while in others they advocated keeping the greenbacks in circulation and opposed any attempt to redeem and retire them.

POLITICAL CORRUPTION

During the later part of Grant's administration and on into his second there were other developments calculated to make politicians uneasy. The war had, as always is the case, opened the way for some to accumulate fortunes by methods not ordinarily looked upon as ethical. Owing to generally good economic conditions and to the interest in problems of southern reconstruction little attention was paid to facilities offered those inclined to profit by public apathy. The sixties and seventies were characterized by a code of business morality which lacked much of perfection. The same looseness was apparent in the business of government. In time it permeated most units, local, state and national.

As an example of the corruption which threatened to swamp municipal government, the Tweed Ring of New York City demonstrated the possibilities open to unscrupulous men in the confusion resulting from superposing a changing economic system upon a political substructure originally developed under entirely different circumstances. By the opening of the Civil War the government of New York City was being brought under the control of Tammany Hall and its head "Boss Tweed." By the time the war ended this organization was thoroughly entrenched and was enriching its members at the expense of the taxpayers. By 1869 the domination had extended to the state legislature. In 1870, however, one of those periodic spasms of reform swept the city to result in the indictment of Tweed and some of his associates and to reveal something of the cost that years of indifference had imposed; the city debt, for instance, increased in two years more than seventy million dollars and there was little to show for the heavy obligation and mounting taxes.

What took place in New York was but a sample of what was going on all over the country. Nearly every city of any size had become honeycombed with corruption resulting from an alliance between venal officials and economic interests seeking purchasable favors. State governments likewise were affected with the prevailing disorder. The governor of Nebraska was impeached and removed for embezzlement; an investigation in Kansas showed that United States senatorships had been obtained by flagrant bribery. In Minnesota there were irregularities which linked various state officials with fraudulent waste of timber lands and other public resources.

In national political life there was the same disregard of elementary principles of honesty. One of the most notorious, although not the worst of the scandals grew out of the construction of the Union Pacific railroad. In 1867 a group of stockholders, incorporated as the Crédit Mobilier of America, received most of the contracts for building the road, and one of the members, Oakes Ames of Massachusetts, a member of the federal house of representatives, sold stock in the Crédit Mobilier at par to many members of both houses and to various officials, despite the fact that the stock paid dividends exceeding the face value of the shares. Out of a suit begun by some disgruntled persons who felt that they had been defrauded of their share of the loot came some inkling of what was going on. A congressional investigation in 1872 opened up much of the unsavory mess and left a trail of smirched political reputations.

The Revolt against the Republicans

The extent of political corruption had not been revealed by the time the presidential campaign of 1872 started, but enough was known to give rise to a demand for separation of official position and active political partisanship. In other words, there was agitation for civil service reform in state and nation. This slogan was emphasized by the moderates in the Republican party who were tired of allowing reconstruction to dominate party politics, and it afforded a platform for the bolters of 1872, the Liberal Republicans. After preliminary steps the Liberal Republicans held a presidential nominating convention at Cincinnati and adopted a platform which emphasized civil service reform and a "hands off" policy with the South. There were many tariff reformers among the Liberal Republicans but the protectionist element was strong enough to relegate this issue to the people of the various congressional districts. Passing over the men who had been prominently mentioned as possible candidates the convention, as a result of the manœuvring of a little clique, chose Horace Greeley and so killed whatever chance there had ever been to win the election. Greeley was one of the best known men in the United States; his New York *Tribune* was the vehicle of gospel truth to thousands of homes in the North. But Greeley, known for his undeviating opposition to slavery before and during the war, and an oracle in the Republican party, was likewise

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distrusted for his eccentric vagaries. The Democrats, who had looked hopefully to the Liberal Republican revolt as a means of throwing off Radical Republican control, were aghast at Greeley's nomination, for there had been no man in the country more outspoken and bitter against their party. Nevertheless, with misgivings and revulsion, their convention endorsed his nomination.

The regular wing of the Republicans, who had been alarmed at the tide of opposition, were jubilant when Greeley was nominated, and proceeded to renominate Grant on a platform which endorsed the whole Radical program. Nevertheless the revolt within the party had been productive of some legislation which showed the extent of the uneasiness. The act for the removal of political disabilities was in large degree a result of the upheaval. The growing distaste for the high war time tariff brought a slight reduction of duties upon competitive commodities and some additions to the free list. At the same time many of the excise impositions were reduced or, like the federal tax on incomes, entirely done away with. Moreover, the cry for reform in civil service produced an act whereby the president was authorized to appoint a commission to assist in the selection of proper persons to fill various minor offices.

The election, which had seemed hopeless for the Liberal Republicans, was less one-sided than early prognostications had indicated. Nevertheless Grant and a Republican majority in both houses were returned, and regular Republicans could point to a popular vindication of their previous policies. At the same time it seemed to be an approval of the laxness which prevailed in governmental circles, and many of the irregularities continued. The public, however, was not as apathetic as it had been. Congress responded to popular sentiment by many investigations, especially after the Salary Grab of 1873. This Grab was an act increasing the salaries of president, vice-president, cabinet officers and members of congress, and in the case of the latter was retroactive in that it increased the stipend of the members of the congress which passed the act. There was a howl of disapproval, and many members refused to accept the additional payment, and the next congress repealed the clauses affecting congressmen.

It is useless to go into the details of the revelations made between 1872 and 1877. The Whiskey Ring, the Belknap scandal, the corrupt and inefficient administration of almost every national administrative department, all pointed to the alarming moral laxity which had pervaded the whole national organization. There was no specific connection of the president with any of these delinquencies, but Grant suffered from the effects of the revelations since he, in the last analysis, was responsible for what had taken place. No one called him dishonest, but few defended him as an administrator. In fact many of those qualities which had made him a military commander unfitted him for civil responsibilities. He was a poor judge of men and he was never able to distinguish between loyalty to his friends and the demands of political responsibility. His obtuseness in matters of political ethics was profound.

The uneasiness of the years after 1870 pointed to an overturn. Then came the panic of 1873, and while men might be indifferent to much that had been going on while times were good, a new spirit was induced by reverses. The congressional elections of 1874 were very much the result of years of Republican arrogance and an indication of a desire for a change. Instead of a Republican majority the next congress was to have a Democratic preponderance of some seventy members in the house and a larger number of seats in the senate. The overturn affected many states, especially where Democrats had fused or co-operated with the independent movements. In such states as Ohio and Indiana and even in the eastern commonwealths of Pennsylvania and Massachusetts Democrats swept the field.

With the handwriting on the wall the Republicans resolved to make the most of their last moments of authority. Two acts in particular demonstrated the desire to make hay while the sun shone. One of these was the second Civil Rights act to create social as well as political and civil equality between Negroes and whites. Senator Sumner, while he did not live to see his pet project enacted into law, had been assiduously working for an act which would force equality of status in public conveyances, inns and similar accommodations, so the act of 1875 may well be said to have been the culmination of his endeavors. The second Civil Rights act, however, was impotent from the beginning, and as soon as cases came before the federal courts it was found that congress had exceeded its powers. Indeed, only a few years were to pass before practically all the act had been pronounced unconstitutional.

The other important act was a sort of deathbed repentance. Fearing that the Democrats would, when they dominated legislation, perpetuate the fiat money system, just before the close of the forty-third congress the Republicans carried through an act for the resumption of specie payments. By this law the secretary of the treasury was directed to accumulate a supply of gold so that, by the first of January, 1879, he could redeem all greenbacks presented for payment. Moreover, while three hundred million dollars worth of greenbacks were to be reissued, although redeemable, the remainder, eighty millions, were to be destroyed and not reissued. But, in order not to deflate the currency to this extent, the aggregate maximum of banknotes put out by national banks was removed and additional issue of such notes was to be authorized to eighty percent of the value of destroyed greenbacks. This act was passed in the face of determined opposition, and later the clause providing for the permanent retirement of the eighty millions was repealed.

The Greenbackers

The act for the resumption of specie payments was the immediate cause of another political movement. By 1875 the Granger movement was distinctly on the wane. Independent parties were beginning to disappear and their adherents drifted back into their former political affiliations. But hard times made money tight, so that any proposition to reduce the circulation was bound to bring protest especially from parts of the country where accumulated capital was small.

Before the Civil War an English writer stated that the condition of the laboring man in America was better than anywhere else in the world; he was, ordinarily, well fed and comfortably housed. The agriculturalist, likewise, was relatively a free agent as compared with the farmer in older countries. Both classes were vitally affected by the fact that in the western portions of the country there were millions of acres of land obtainable at a low price, so that it was possible for any energetic man blessed with reasonably good health to look forward to the time when he could either own a farmstead or be an employer. During the war and in the years which followed conditions were changing. For many years there still remained the outlet afforded by public lands, but ever the frontier retreated and desirable holdings became harder to find, and farther from markets. It was clear that the farmer and the laborer were steadily although not especially rapidly becoming more fixed, less mobile. In industry the revolution wrought by steam and increased use of machinery had begun that process of building a factory system more and more attached to centers of population which had been accomplished in England from a half to three-quarters of a century before. Taking the whole situation under consideration there was probably a greater possibility of well-being for all persons than could have existed under the old dispensation; indeed, enterprise based upon individual effort would never have been able to produce and get to the consumer the commodities demanded for everyday living. Combination of capital, large-scale industry, greater co-ordination of endeavor were but answers to the needs of the time, even though these factors in the seventies were but feeble prognostications of what came toward the close of the nineteenth and beginning of the twentieth centuries. The Anti-Monopoly and Granger movements were in part results of the change.

The effects of the panic of 1873, which had at the outset given an impetus to the political side of the Granger movement, proved in the end a boomerang and reacted in favor of the old organizations. By the close of 1875 the movement had spent its force; the old parties had returned to power and had proceeded to repeal much of the new legislation, although not even the hardiest of leaders dared go the length of insisting upon expunging all the laws.

Out of the soil of Grangerism, but not directly from the independent parties as such, except in Illinois and Indiana where there was an organic connection, rose the Greenback party immediately stimulated by the Resumption act. It had not been with the agrarian element, however, that the first organization formed for political purposes and with a demand for continued inflation of the currency as a principal issue had arisen. In 1868 the National Labor Union was organized. The partial contraction of the currency of 1866 was alleged to be one of the main causes for a decline in wages. The financial doctrines of this body were summed up in what was known as the "American system of Finance" a scheme demanding that the general government issue all money in the form of legal tenders redeemable in bonds which the holder could, when he desired, turn again into greenbacks. In 1872 the National Labor Union definitely entered politics by holding a national nominating convention. Its candidates received a total of 29,489 votes from Laborites and Democrats who refused to vote for Greeley.

In both Illinois and Indiana the independent agrarians were controlled by an inflationist group, and the organization of the latter state called a conference which met in Indianapolis in November, 1874, where the National Greenback party was launched. With farmer representatives from seven states were men who had been leaders in the Labor Reform movement. The most influential individual in the group was James Buchanan, an Indianapolis lawyer who edited a weekly paper which backed the farmers' cause, and it was in large part his ideas which were incorporated in the Greenback platform. The "proper solution of the money question" was considered the paramount issue. A national convention of the new party was summoned for March, 1875, at Cleveland. Here representatives from twelve states assembled, designated the organization the Independent Party and perfected a plan for a nominating convention. The enactment of the Resumption bill (January, 1875) made a text, and the demand for the repeal of that act occupied a prominent place in the framing of their principles. The nominating convention met in Indianapolis in May, 1876, and selected Peter Cooper, well-known philanthropist of New York, and Samuel Cary of Ohio as their candidates. A total of 81,740 votes were cast for Cooper and Cary, the greater portion coming from the western states, although there was some strength manifested in labor circles of eastern states, especially in Pennsylvania. As yet, however, the labor side of the movement was little developed and whatever activity existed came more from individuals than from group action.

THE CONTESTED ELECTION

The Republicans had a much more serious cause of worry in facing the presidential election of 1876 than that given by the

Greenbackers. The defeats of 1874 had caused profound uneasiness. The Democrats on the contrary looked to the future with confidence. It behooved both parties to select their standard bearers with care. Among the Republicans the outstanding figure was James Gillespie Blaine, a congressman from Maine. Blaine had entered national politics during the Civil War and was at the time speaker of the house. He had, however, become involved in financial transactions which clouded his political reputation so that it was highly inadvisable to put him forward as a candidate. Consequently the convention selected Rutherford B. Hayes, civil war veteran, one-time congressman, and governor of Ohio for two terms. In the last position he had made strenuous efforts to cleanse the civil service of his state and had gained the reputation of a reformer.

The Democrats were equally solicitous in their selection when they chose Samuel J. Tilden of New York. Tilden as a conservative Democrat and an opponent of Tammany Hall had helped to clean up the political mess in New York City and Albany, and he too was put forward as a reformer. The general tendency was to make the canvass a real issue of the day, but Blaine, in opposing the inclusion of Jefferson Davis's name in the group from whom political disabilities would be removed by a proposed act in 1876, had interjected as an issue the "bloody shirt"; that is, the war, its causes and consequences. So successful was the strategem that the issues of the late fifties and the sixties were fought over again and real problems of the day ignored or sidestepped.

Everybody realized that the decision would be close. The day after the election it was clear that the Democrats had carried enough states to have 184 electoral votes, while it would take only 185 to make a majority. The Republicans protested the results in Louisiana, South Carolina and Florida, because there were stories of coercion and suppression of the Negro vote. Both parties were represented at the capitals of these states when the official canvass took place, and while details are lacking, it is clear that both factions were willing to use any means to influence the count and that the official canvassing boards were open to suggestion. In each state the boards counted out enough Democratic and included sufficient Republican votes, which had been thrown out by local officials, to give a majority to the Republican electors. It was obvious that the whole matter would go to congress for final adjudication.

When congress met the disputed election was the principal issue. It was known that the Democrats of the contested states had organized governments and had given credentials to Democratic electors, so that at least two returns from each of them would come to Washington. The matter was further complicated because two sets of returns were on the way from Oregon. A solution would depend on the interpretation of the constitution where it stated that the electoral ballots should be opened by the president of the senate in the presence of both houses and counted. The senate had a Republican majority and the Republican president *pro tem* would count the votes for Hayes, while the house was Democratic and would insist that the count should be by joint ballot where the Democrats would have a majority. Nearly to the time set for the counting of the ballots the contest continued, to be ended by the adoption of the Electoral Count act. By this, whenever there was a protest against any state's returns, each house should vote separately and if they did not agree the whole matter should be referred to a commission of five senators, five representatives and five members of the supreme court. Four of the justices were designated in the act and they were to select a fifth, it being generally understood that he would be David Davis of Illinois, reputed to be an independent. Just before the counting, however, Davis resigned his position on the bench to accept a senatorship from his own state where a little group of independents, holding the balance of power, had been able to force his election. Whereupon the four judges selected a Republican justice for the fifth place.

When the returns from Florida were reached in the congressional count the whole question was referred to the commission which refused to go behind the official returns and, by a vote of eight to seven, declared that the Hayes electors had been duly chosen in that state. The same thing occurred in the case of Louisiana and South Carolina. The Oregon returns presented no real problem and the three votes for Hayes were counted. Congress accepted the result, but with great bitterness on the part of the Democrats who talked much of a "stolen election," and the more hot-headed of them threatened to prevent the inauguration of Hayes. Nevertheless, in spite of talk, no revolution or violent demonstration occurred, and on the appointed day Mr. Hayes took the oath of office.

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CHAPTER III

AT THE CLOSE OF RECONSTRUCTION

When Rutherford Birchard Hayes stood on the platform erected at the eastern entrance to the Capitol and pronounced his inaugural address it is much to be doubted whether he or any of the throng to which he spoke realized that the country over which he was to preside for four years had entered upon a new era. In the years immediately following the Civil War, while the South was struggling with the problems created by the war and by Reconstruction, the rest of the Union was undergoing a transformation which was ushering in a markedly changed economic society. A commentator in 1889 could well say that to those whose memories extended only to post war days "the recitation of the economic experiences and industrial conditions of the generation next preceding is very much akin to a recurrence to ancient history." [1] Indeed it was nearly as hard for a young person of the nineties to have any real conception of antebellum days as it is for the youth of to-day to picture life at the close of the nineteenth century when automobiles represented startling experiments, radio was unknown, and flying was but the dream of a few daring minds; when X-ray, motion pictures, vitamines, television and a host of other terms had not even come into existence. Perhaps the *fin-de-siècle* individual found somewhat less difficulty in visualizing the previous generation because, after all, it was not so much the actual introduction of new devices and unheard-of terms that differentiated the fifties from the nineties as the extension and wider application of those principles which had already gained a standing.

Despite politicians' insistence on fighting over the causes of the war in the presidential campaign of 1876, those issues were dead if not yet buried; they were spectres about to be relegated to the tomb forever. One of the most potent factors in bringing a new era was the rapid diminishing of cheap yet desirable lands. In 1890 the director of the census could say that the frontier had disappeared; ten years earlier one had to seek the frontier, and, while it was to be found, the finding was not the easy task of the sixties or even the seventies. Cheap lands had, from the earliest settlements on the Atlantic coast, been so much an accepted fact that they were taken as a matter of course. They had been the most important factor in forwarding the experiment of a republican government founded on a theory of democratic equality. Whenever conditions in older communities had begun to be hard, whenever there was a press of population on the means of subsistence, men of ambition and energy or those discontented with the established order had an opportunity of bettering themselves by starting anew in the wilderness or upon the plains. Now, however, those who had vision were able to see that it was not going to be long before such an outlet would be closed and population would pile back upon itself and make for a society with growing social and economic stratification. America was soon to learn that it was not from any innate difference that it had till then been spared many of the problems of the old world; with increasing age and decreasing raw lands it would follow in the footsteps of older civilizations. More and more it would become obvious that a greater proportion of people tended to remain in much the same economic situation to which they were born, and this could not be explained by the easy method of saying that they had reached their limit, that nature had decided for them by a less efficient equipment of brains or brawn.

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[1] David A. Wells, *Recent Economic Changes* (N. Y., 1889), 65.

The Influence of the Industrial Revolution

Indeed, with the disappearing public lands, the outstanding factor, which must be taken into consideration in understanding the history of the United States after the days of Reconstruction, is the industrial revolution. Despite the fact that steam and mechanical devices had been changing the methods of production for years their full significance had been but partially realized. Take, for example, what had occurred in the agricultural field alone. For several years before the war there had been available such implements as the mechanical mower, the reaper and various devices calculated to lighten the farmer's burden by increasing the amount of toil which could be laid upon draft animals, and yet these articles had received scant attention: the farmer had gone on like his father with scythe and sickle, hand hoe, and hand rake, to plant and harvest by the most grinding of manual labor. It took the Civil War and the shortage of man power in various regions to bring home the lesson that a new day had come and that it was not only legitimate but indispensable for the farmer to seek the aid of whatever the genius of an inventive brain could produce. Furthermore, it was apparent that these new-fangled implements were adapted to husbandry after the soil had been subdued, whereas their use was at least limited in many frontier regions until the fundamental things had painfully been done by old methods.

Even more startling had been development elsewhere. It was, for example, only just before the war that the sewing machine had revolutionized a universal industry, and an adaptation of this device had revolutionized boot and shoe making. One invention led to another, and it appeared that few articles calculated to add to human comfort or convenience would be left to the individual workman whose long apprenticeship had made him a master of his craft and whose finished product bore something of a personal impress which was lacking in the machine-made article.

In this shift from hand to machine labor two social results stand out. In the first place none can question the immense benefit accruing to mankind as a whole. With cheapness came the possibility of everyone's having the use of articles which, in a handicraft system, only a few could possess. But society gained a tender of machines and lost an artisan, even an artist. Invividual skill no longer commanded the premium which it had done; mediocre and slightly trained workmen could tend a machine. Labor and industry tended to become mechanical together.

Mechanical power and devices to handle it laid the foundations of the newer industry. Already something of the possibilities of steam had been realized. Electricity was giving a faint inkling of the part it would play in the future. The gas engine was yet to be brought to the attention of mankind; nevertheless, petroleum, which was to make such an engine practicable, was making great strides as a revolutionary agent along other lines. It was two decades before that petroleum had become known as an article valuable for something beside medicine. It had already nearly driven the whaling industry from the seas and a beginning was being made in the production of the numerous by-products which to-day are connected with the oil industry. Itself producing an overturn in the industrial world, it had developed into a great industry; all the paraphernalia of obtaining the crude substance from the earth, transporting it by various methods to refineries usually located on the seaboard, and deriving the usable substances from the raw material, had to be worked out.

When the Civil War was fought the imports of iron and steel exceeded greatly the amount produced at home. Indeed it is not far from the truth to say that the steel industry of this country is a development of the period after 1865. When, from about 1869 to 1873, there was an orgy of railroad building, most of the rails were imported, in spite of a heavy duty, but the tremendous demand for iron and steel stimulated the industry and all that contributed to it.

All these impulses to production had called attention to the inadequacy of the organization of business as a whole. Particularly had the disasters following the panic of 1873 emphasized the need of some sort of scheme whereby the burden of industrial organization could be distributed more widely over the community. The individual enterprise or the partnership no longer sufficed in many cases, and it is peculiarly noticeable that after 1873 the corporation rapidly began to supplant older and simpler types. The factory system and other products of the industrial revolution demanded more capital than any individual or small group of individuals united in a partnership could furnish, and the corporation, which had long been known in banking, insurance, and in railroad concerns, began to be the rule rather than the exception in industrial enterprises. From two points of view, at least, the corporation was an advantageous device: it allowed savings in small amounts to be added to other amounts large or small and so provided an aggregate as large as the undertaking demanded. In the second place one partner might legally be held responsible for all the obligations of the firm, but in the corporation each stockholder was generally liable only to the amount of his own shares.

Advantageous as it was for drawing upon the resources of the whole community and necessary for securing the backing requisite to handle enterprises ever growing larger, the corporation brought problems which had been insignificant or non-existent before. When considering the cotton mill of a New England village or the gristmill to be found almost everywhere that people had settled, as they existed down to and pretty much through the war, one has in mind a small, or at most a moderate enterprise. In the greater number of instances the owner or owners had either inherited the concern or built it up from modest beginnings; they were likely to have been natives of the same community in which their factory was located, and usually took upon themselves its direct management. A considerable portion of their employees had grown up in the same village or had come there from the surrounding farming neighborhood, while the outsiders might be immigrants from the British Isles, usually from Great Britain. From this came a situation in which there was no great chasm between the employer and the employed; they called each other by their first names, and one had a personal interest in the other's well-being. Of course there was no idyllic industrial Utopia wherein strife and discord were never found: occasionally there were strikes; workmen felt that they were being exploited at times, and employers sighed or swore at the perversity of human nature as it appeared in recalcitrant toilers. Furthermore, in the larger centers of necessity the personal element had to some extent disappeared in a growing industrialism.

However, taking everything into consideration and allowing a large margin for exceptions it is safe to say that in the country as a whole such things as labor problems, class strife and the like were issues remote from the ken of practically everybody. At the outbreak of the war there were four unions which called themselves national. No one of them enrolled a large number of persons and none of them had influenced to any marked degree the progress of economic life. There were local unions, mostly feeble and making no important impress upon their respective communities. During the fifties there were heard in this country some reverberations of the new movements which were rumbling in Europe; something of the socialist teachings of Karl Marx and of doctrinaire radicals of the French school gained a few followers in large centers, especially in New York, but they were almost entirely of alien birth and produced nothing more than a passing ripple upon the surface of things. The "wage slave" did not know that he existed. The gulf between the proletariat and the complacent bourgeoisie, if there was such a thing, was so passable as to cause no great heart-burnings.

Large scale industry, integrated industry, and the accompanying corporate organization had to change all this. No longer was there possible the relatively close contact between employer and employed: the ultimate employer became a group of stockholders represented by a board of directors, the choice of which usually rested in the hands of a small group; then the directors, feeling that they must secure dividends for the shareholders, placed the burden on an executive officer—manager, superintendent, president or whatnot—and he, a sublimated hired man, had to "make good" or lose his job just as any day laborer might. Consequently the executive officer could not occupy the same position which an owner-manager could; he might sympathize never so much with the man who lost a job when work slackened, but if retaining him meant the possible loss of dividends or even worse, he had no choice.

Industry was becoming organized on a large scale, consequently labor must do likewise; in other words, when capital organized, labor was bound to. Hence the fact that after the Civil War and particularly after 1873 organizations like the Knights of Labor, numerous crafts unions and similar groups were not sporadic and unexplained excrescences upon the social structure but perfectly natural consequences of numerous factors.

Large-scale industry proved, in the main, advantageous, so the natural question arose: why would not larger scale production be even better? To attempt to secure a monopoly of some needed article and thus be able to charge monopoly prices is not a new thing in the world; indeed, were documentary evidence at hand it could no doubt be shown that it tended to make itself felt from the dawn of civilization. Great aggregations of capital, falling under the control of small groups by means of corporate organization, seemed to pave the way for a more successful monopoly control than had ever before been possible. It is not surprising, therefore, to find that it was only five years after Hayes took the oath of office that the first formal trust was organized. The forerunners of the trust, in the shape of pools of various kinds, had already become known, and the general idea which became associated with the word "trust" was to be an enduring feature of industrial life.

Despite the proud boast that America was different from the rest of the world and that the United States was content to confine its attention to the new world and abstain from "entangling alliances" with the old, this country had not, and from the nature of things could not escape a contact with world affairs. Indeed, during the Civil War it had been brought home how much the attitude of foreign countries meant to a nation in times of distress. But, after all, American contact abroad had been relatively small, and the dictum that the War of 1812 was a second war of independence contained the essence of truth for after 1815 practically all the energy of Americans was devoted to subduing a continent. A period of intensive as well as extensive development prevented more than passing attention to what was going on in the world outside. Such concentration on the task near at hand brought a marked provincialism, and most Americans proved true to type; they were proud of their country, the more so because what it was in part represented their own handiwork. Criticism, even when proffered in a friendly spirit with constructive intent, irked them; it implied a criticism of what they themselves had done, it was a personal reflection upon the fruit of their toil.

After the war, too, things settled back into pretty much the same rut, and such events as the Franco-Prussian war, the formation of the German Empire, or the perennial eruptions in the Balkans, meant little or nothing to most people. It is true that certain happenings in the western hemisphere aroused somewhat greater interest; the attempt of Napoleon III to found an empire in Mexico stirred up the latent Monroe Doctrine. On the other hand when President Grant was bent upon the annexation of Santo Domingo he found that the country was not with him. Even the purchase of Alaska had been accomplished with difficulty and but for the feeling that Russia had been a particularly good friend to the United States during the war the treaty would have shared the fate of the Dominican convention. James G. Blaine's efforts to bring the United States and Latin America into closer touch met with the deadening resistance of indifference.

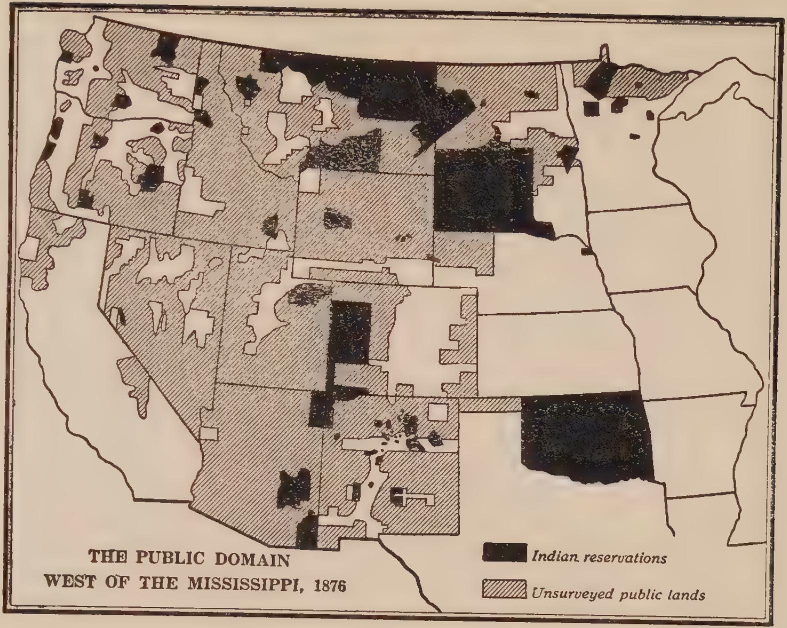
Nevertheless, by the time the last decade of the nineteenth century had been reached an apparently sudden change came about: Cleveland's blunt action with respect to Venezuela, the Cuban situation resulting in the Spanish-American war, the treaty of Paris, all in the space of a few years, brought the United States willy-nilly out of its provincial shell and into the arena of world politics, so that it can be truly said that 1898 marks, in a sense, the end of one era and the beginning of another. But this was not a flash from the clear sky. Looking back now it is easy to see that affairs had long been in train for just such a *dénoument*, and if it had not been Cuba and Spain it would have been something else. From a huge country with vast areas of raw land and a relatively small amount of manufacturing, there had developed a nation which must compete in the markets of the world; it would dispose of a diminishing quantity of raw materials and would produce manufactured products in excess of the needs of the home population. The plunge into world affairs, then, was not something strange, startling, and out of the ordinary, but a natural sequence of the industrial revolution which had been and still was taking place. Protectorates, overseas dependencies, the Panama Canal, Oriental issues and finally participation in the World War were all logical consequences of the conditions. International relations could never again take the very inferior position which they had so long occupied.

THE SITUATION IN 1877

In 1877 the territory of the United States was the same as it had been at the close of the war except for the addition of Alaska and the fact that the title to the San Juan Islands in Puget Sound was no longer in dispute, but in organization there had been a marked change. In the seventeen years since Secession five new states had been admitted to the Union and five territories had been organized. All the changes had come west of the Mississippi except for the admission of West Virginia, a result of secession and the war. Bleeding Kansas, after the southern congressmen had withdrawn, was admitted early in 1861; Nevada, with a sparse population, had come in avowedly as a political device; Nebraska, to which had gone no stimulated migration, was ready for the enabling act which paved the way for entrance in 1867, and the second mining boom had flooded Colorado so that it could be the Centennial State. The earlier mining boom, which had accounted for the organization of western Kansas as the territory of Colorado, also gave reason for providing a territorial government for Arizona, Idaho, Montana, and, to some extent, Dakota. The Union Pacific railroad was largely responsible for carving Wyoming from corners of Idaho, Dakota and Montana. The only unorganized territory of the United States, if Alaska with a partially organized government be excepted, was the Indian Territory, that last, and as most people thought, permanent refuge of tribal aborigines.

All states did not take an interim census, so it is possible to judge of the population only by taking into consideration the figures for 1870 and 1880; since immigration, discouraged by the panic and hard times, had slackened, the figures for the tenth census probably are nearer those for 1877 than those of the ninth. Of the total number for 1880, 43,475,840 were native born and 6,679,943 foreign-born, as against 32,991,142 and 5,567,339 for the two groups in 1870. Absolutely the native-born were still increasing more rapidly than the immigrant population, but the lead was being materially reduced.

In 1877 the greatest number of immigrants still came from the British Isles, but, even counting those from Ireland, this preeminence was not destined to remain. After the British came Germans, then Scandinavians. A sprinkling of French, Italians, and Russians accounted for nearly all the rest except some Orientals, mostly Chinese, who had already been the cause of hostile demonstration in California. Almost all the newcomers in this year of grace and in the time preceding had been of northern European stock, and all were assimilable to a marked degree. To be sure, nativist movements had sprung up in the thirties


■ Indian reservations
▨ Unsurveyed public lands

THE PUBLIC DOMAIN
WEST OF THE MISSISSIPPI, 1876

and again in the fifties, and some were inclined to see good American institutions swamped by a horde of "ignorant Irishmen and Germans." That the presence of large numbers of recently arrived inhabitants really created a problem in some places, notably in the large cities, was amply evidenced by what had taken place in New York under the malodorous régime of Tweed and his gang, the effects of which were by no means dissipated a half dozen years after that particular group had been broken up. But, after all, no real "problem" of immigration existed, unless it was in connection with the Chinese, and that was still in an easily manageable form.

Wherever there was what people of the day inclined to call an immigration or immigrant "problem" there were also all the other problems which were becoming manifest in connection with the new industrialism. The factory system meant concentration of population in cities and towns. As any society grows up it depends less and less on the extractive pursuits, and a diminishing number of persons is needed on farms or in the forests and mines to produce necessary raw materials; inventions and mechanical devices make it possible for a relatively smaller number to toil in the fields, hence, certainly in the seventies, it was not alone the lure of the bright lights which drew the country boy and girl to the towns; they went because they could find work. In 1790 approximately 3% of the total population of the United States was in towns, and not all of those large ones; in 1880, 22½% was found in towns and cities of 5,000 and up. Nevertheless there were only 20 cities with over 100,000 people and only ten with 200,000 or more. New York fell just short of a million and a quarter; Philadelphia had 847,170, and Chicago 503,185. Boston ranked fourth in size, with 362,839, St. Louis fifth with 350,518, and Baltimore sixth with 332,313. San Francisco and Cincinnati had 233,959 and 255,139 respectively.

Just as years before in England the industrial revolution had caught a people unaware, so it was in the United States. Towns and cities were as little ready to accommodate with homes and suitable living conditions the masses which poured in upon them as were the town and municipal types of government then in operation able to cope with the new and puzzling questions which such aggregations of people brought. Housing facilities, water supply, disposition of waste, transportation, all failed to keep up with the demand. From the call for more living space grew tenement conditions and the large, and some of the small, towns and cities already had their slums. New York, while possessing slums and endangering the health of the community by an antiquated and inadequate sewage system, had caught up and gotten a little ahead of the water supply question by its Croton water works which supplied if necessary 105,000,000 gallons per day; but this lead was not to last because as early as 1880 the city was consuming 100,000,000 gallons daily. Philadelphia on the other hand had long reveled in an ample supply. More than a few sizable cities were still dependent upon wells and cisterns.

Those towns which boasted of street lighting systems used gas, in many instances eked out by fluid lamps of one sort and another. Concentration of population had followed concentration of industry but even so all the workers of a particular factory or mercantile establishment could not possibly cluster within walking distance. Horse-drawn street railway cars struggled with the situation, but already it was seen that something would have to be provided to handle a growing volume of passengers with greater speed. New York had valiantly grappled with the problem, and, in 1877, was on the eve of seeing her elevated roads in operation. Despite the most violent opposition by both the horse-railroad companies and property holders, the proposition had been carried through all kinds of legal snarls until in 1878 the elevated railroads were a fact. For years after one of the principal memories which a stranger carried away from the metropolis was the thundering roll and grinding shriek of the elevated trains drawn by steam locomotives. Not until electricity was subdued to become a more docile servant of man were the peculiar little engines sent to the scrap heap.

Electricity, however, was already beginning to yield to the curiosity and perseverance of man. The dynamo, dating as far back as 1832, was in 1873 found, when reversed, to be usable also as a motor, and between 1880 and 1884 numerous individuals were trying to apply this motive power to traction and by the latter date had convinced the world that the scheme was practicable. Lighting, too, was on the threshold of utilizing the inexplicable fluid; even before 1850 incandescent lamps had been made, but not until Thomas A. Edison in 1878 turned his attention specifically to this problem was there any appreciable advance toward making a commercial article. In 1879 and 1880 the practical problems were solved in the United States and in England by Swan and Stearns, and so rapid was the progress in utilizing the invention that in 1882 the famous Crystal Palace in London was lighted by electricity.

In 1876 Alexander Graham Bell patented in the United States and also in the United Kingdom the telephone which was editorially denounced in the London *Times* as the "latest American humbug," and pronounced "far inferior to the well-established system of speaking tubes." In spite of ridicule, which was not confined to the eastern shores of the Atlantic, the "toy" was developed rapidly and the idea of its usefulness spread with marvellous speed. By 1880 the tenth census report noted that already there were in the United States 148 telephone companies which used 34,305 miles of wire, had 54,319 receiving stations and employed 3,338 persons. Nevertheless, in spite of the demonstration of the practicability of the invention, Bell and those associated with him had been unable to sell to the Western Union Telegraph Company all their patent rights for the sum of $100,000. The growth between 1877 and 1880, when the device was still looked upon askance by most people, was but a criterion of the development which was going to continue unchecked for years; when the Great War opened there were some ten millions of telephones in the United States, or about three-fourths of the number in the whole world—more telephones in Chicago, for example, than in all of France.

Municipal organization was already proving one of the most difficult governmental problems facing the American people. Almost everywhere, when it was found that town government would no longer meet the issues of the day, newly incorporated cities were provided with miniature replicas of state or national governmental machinery. The essential difference between a municipality and a commonwealth was not grasped, and too late people found that that type of organization which they considered ideal lent itself admirably to the manipulation of local politicians. Separation of powers instead of securing safeguards and mutual checks, had brought division, hence no responsibility. While a bicameral legislature might possibly be advantageous in state or nation, it became merely the instrument of logrolling and chicanery in towns where the electorate was not always on the alert, in other words, in every city. New York, afraid to trust herself, had been willing for the legislature "up-state" to modify the charter and deprive the city of a considerable portion of its powers.

THE WEST

Leaving Washington for his home west of the Alleghanies, in the region which had once been the *West* but was no longer so except in the minds of those who still believed that Indians roamed the streets of Detroit and Cincinnati, the good Republican who had come on for the inauguration travelled through a country showing everywhere the effects of the new age. Smoky factory towns testified to the advance in manufacturing; ugly collieries and aggregations of huts about iron mines gave an indication of the stimulus which had come primarily from the extension of railroads. True, there was not yet the bustle and stir which would have been noticed before Jay Cooke's banking concern fell under the burden of the Northern Pacific, but things were picking up and a year or so would find business at least normal. As he continued on his homeward journey he found more and more evidence that while the tide of manufactures had crossed the mountains, the old Northwest was still predominantly agricultural. Not yet had the palm for being the greatest wheat-producing state passed from the hand of Illinois to some sister west of the Mississippi.

Should this traveller be destined to some point east of the Mississippi he found it possible to reach by rail practically every section of the old Northwest south of Wisconsin and Michigan. To be sure, it was to be many years before "feeders" would have sought out numerous villages and agricultural sections still dependent for their contact with the world on water transportation or on wheeled vehicle trundling over roads which might be good but probably were not. Southern Michigan and southern Wisconsin were about as well equipped with railways as were the states in the belt to the south, but going farther north, or south of the Ohio, or west of the Mississippi, our traveller might have to put up with stage or riding horse. If, while on his visit east, he had taken a trip north from Washington he would have found very nearly all the essential railway lines which are in existence to-day; indeed, so far as New England and a considerable portion of the middle States are concerned, the panic in 1857 had delayed long enough for them to become pretty completely equipped with transportation lines. In the South there was notable lack of railroads. During the period of congressional reconstruction, carpet-bag governments had been fired with a laudable but misdirected zeal to make up for lost time, and as a result unskilled and venal legislatures had lent the credit of their states to numerous transportation projects which, by 1877, had left these commonwealths with a heavy load of debt and no appreciable increase in mileage. The region west of the Mississippi had shared with the old Northwest the burning desire for more and more miles of railroad. Unlike the South there had been results and, although practically every one of the railroad companies of the region, as a result of reckless building, crooked finance and other factors, passed through bankruptcy at least once, there was something beside debt in the end—the roads were there.

It was possible for the west-bound traveller, in 1877, to leave Chicago over one of three different lines, at that time and for many years thereafter closely tied up in a pool which became a general traffic agreement, and reach Omaha just across the Missouri. There he could "take the cars" on the Union Pacific and cross the plains of Nebraska, Wyoming Territory and, in Utah Territory, connect with the Central Pacific which would carry him through to Sacramento or San Francisco. If he happened to reach the Golden Gate late in spring he found it possible to take the Southern Pacific and double back by a more southerly route as far as Yuma, Arizona Territory, for on the 5th of May this road was formally opened to its full length of 712 miles. It was to be several years, however, before the all-rail trip could be carried on to Galveston or New Orleans, because the Texas and Pacific had as yet not reached the Rio Grande.

If he travelled north from Sacramento his journeyings would be cut short a hundred or so miles up the valley. Eventually the road would continue till it met the Oregon and California, which, at this time, had reached down from Portland as far as Roseburg. From Portland north was a gap, but one could take a river steamer, pass down the Willamette to the Columbia and reach Kalama where the Northern Pacific would transport him some hundred miles to Tacoma. But it was a long jump from Tacoma to Bismarck, Dakota Terrritory, where another Northern Pacific train could haul him east to Duluth. Here a lake steamer would take him back to some port on the lower lakes, or a railroad would carry him to St. Paul, whence either river boat or train would take him to Chicago or to St. Louis. From St. Louis the Missouri Pacific would carry him out to Denver. But from the Missouri river the choice was not limited to the trip to the Pike's Peak country, for the Atchison, Topeka and Santa Fe connected the river with Pueblo, Colorado. At St. Louis it was also possible to take the St. Louis and Iron Mountain and go as far south as the northern boundary of Texas where the International would carry him through the central portions of Texas to Galveston on the gulf. Altogether there were many miles of railroad west of the Mississippi river, but when the map is marked with all the lines actually used in 1877 there still remained an empire untouched by any contact with this adjunct of western civilization. More than half the mileage of the country was west of the Alleghanies and yet most of this was concentrated in the old Northwest, Iowa, Missouri, Kansas and Texas.

THE INDIANS

While the traveller might ride in a Pullman sleeper or chaircar, and the former differed but little from the present day affair except for its greater ornamentation and its lack of electric lights, he saw many sights which no longer are found. If he travelled southwest from St. Louis to the Red River, he passed through Indian Territory for many miles, through the land of the Cherokee and Choctaw. At Bismarck he was only a few miles from the northern tip of the Sioux reservation, a region almost as large as the present state of South Dakota. Nearly a half of Montana Territory, all told, was held by Indians; in Washington, Oregon, Idaho, Colorado, Arizona, and Minnesota were numerous reservations, some of them as large as many an eastern state, and, all together, aggregating millions of acres.

The "Wild" Indian was rapidly disappearing, although in the spring of 1877 many a westerner might have been inclined to doubt it, for Sitting Bull and some of his warriors were eluding United States troopers and making their way across the border into Canada where they remained until 1881 when, reduced to submission by hunger and destitution, they returned to surrender. Still vivid was the memory of the activities of the "Hostiles"—Cheyenne, Arapahoe, Sioux and others—under the leadership of Sitting Bull, Crow King, Rain-in-the-face and their associates, activities which culminated in the Custer Massacre of 1876. But, except for sporadic and limited outbreaks here and there, the day of Indian warfare was gone; only one real uprising among the northern Indians was to occur subsequently and this was again traceable in part at least to Sitting Bull. The troubles which started with the "ghost dances" of 1888 came to an end with the death of the old chieftain, the subsequent battle of Wounded Knee, and the "mopping up" performed by General Nelson A. Miles. The Apache of the Southwest made a considerable region in the vicinity of the Mexican border restless for many years. Their forays from mountain fastnessess made the life of the cattle man and the rancher perilous until in 1886, with the suppression of what was to prove the final outbreak, came the capture of the most incorrigible of the leaders, Geronimo who, with his Chiricahua braves, was deported to Florida.

The year after the Apache had been rendered harmless brought a notable change in the Indian policy of the United States government, a change which marked another step in bringing western territory under the white man's control. The Dawes Act provided for the break-up of reservations and with them of tribal organizations and the allotment of land in severalty to the Indians. One after another the remnants of tribes, facing the inevitable, accepted the will of the Great Father at Washington and took their lands to become, some of them, civilized in the better sense of the word, others to continue their old life and habits. For good or for evil the native American had become a mere memory of the past, despite the fact that his numbers were not materially fewer than they had been for years. Here ended one more chapter in the eternal story of groups less able to use the resources of nature giving way before those whose means of exploitation were more efficient. An inevitable result of the conflict of man for the means of subsistence was this relentless and unremitting pursuit of the Indian back into the fastnesses of the continent's interior and his final defeat; inevitable and yet marked with many an episode which an American might well wish could be removed from the page of his country's history.

Along with the Indian went one of the spectacular features of frontier, the vast herds of bison which roamed over well defined ranges where to-day domesticated cattle graze, or fields bring forth food stuffs for the nation. During the sixties and the seventies, when the skin-hunter had begun his indiscriminate slaughter, the destruction of the herds began and went on apace. By 1870 there were two main herds, remnants of the one-time single herd of millions; one ranged over an area half as great as the state of Missouri in a region which embraced a portion of the Indian Territory and extended many miles to the northward; the other found its forage in the northwest, east of the Rockies and south of the Canadian border. Even these had by 1877 been seriously depleted so that only a few years were to pass before the sight of a bison was something to be remembered, instead of being an everyday experience of the plains traveller.

River Traffic

In the seventies the day of the river steamboat had not gone. The war, indeed, had given a severe blow to the steam traffic of the Mississippi and had diverted permanently a large portion of the south-bound cargoes to an east and west route. Nevertheless both on the upper and lower river the daily passage of the swift and palatial packet or the lumbering freighter with its string of barges was a common sight from St. Paul to New Orleans. In 1879 no fewer than 3,372 boats, 1,350 barges and 189 lumber rafts passed through the draw of the Northwestern Railroad bridge at Winona, Minnesota, and for years there was not much change, except that the rafts increased in number and size until the peak of the output of the northern forests was reached. But, despite the large numbers of river craft plying the Mississippi and its affluents in the seventies and eighties, the heart of the industry was gone. Just as soon as a railroad paralleled a stream water traffic was doomed. This was due not alone to the means taken by railroad officials to kill water competition, but to the fact that the steamboat lacked much in reliability. Farmers and other shippers came to depend on the relative stability and swiftness of the railroad and to trust less in the boat even though the latter was able, when it ran, to carry their merchandise more cheaply. Even in 1877 the bulk of the traffic both in passengers and freight had come to be way and not through. More emphasis had to be placed on the scenic advantages of a river trip, and even these could not be truthfully urged on most of the lower river and a portion of the upper. Still, two regular packet lines were on the upper run and as many on the lower, while all along the river the "wild boat" gathered freight where it could be found.

In river transportation there had been the same tendencies which had brought the beginning of railroad systems; combination, absorption or freezing out competitors had tended to concentrate in the hands of a few men the main portion of the traffic of a particular stretch of the river. Unlike the railroad, however, the steamboat did not lend itself readily to monopoly, for it required no great amount of capital to start a rival boat and so build up a competing line. So, for example, Captain Joseph Reynolds could, when convinced that he had not been receiving fair treatment from the steamboat magnates, purchase a boat or two and, by threat of competition, secure better rates than had been given him before. Out of this defensive beginning originated a line, the "Diamond Jo," which was rapidly coming to the fore in the upper river traffic in the late seventies, and which continued to operate until 1915. But Captain Reynolds was an exception; he stood out against the competition of the railroads longer than most of the river men. Nowadays one may watch from the levee at Red Wing, or Winona or Davenport and see nothing more than a boat engaged in a little way traffic, while at St. Paul, where in the sixties sometimes half a dozen steamboats tied up in a single day, nothing more than a decrepit excursion boat disturbs the echoes of the bluffs with its raucous siren. Even in the lower river, while there is some remnant of the glories of older days, the survival is but a faint and disheartening reminder of the times which Mark Twain described so graphically in his *Life on the Mississippi.*

Very different in many ways was the United States of 1877 from the United States of to-day. In the years before the opening of the twentieth century there was to come a transformation tremendous in appearance and no less tremendous in vital significance. So great were the changes that had come about by the application of steam to the uses of man, that our fathers in the days when Mr. Hayes was president could have some slight inkling of the vaster changes that were to come. But that the country was really different from what it had been in 1860, save for the abolition of slavery and the elimination of certain old political issues—that the problems even then upon it called for the solvent of a new formula—seemed to be little realized. The language was that of ante-bellum days; the thoughts, to a great degree, those which had prevailed for years.

BIBLIOGRAPHICAL NOTE

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CHAPTER IV

OUT OF THE DEPTHS

When the last federal soldier, who had been retained in the South to bolster up the Radical governments, had taken his leave, guidance of affairs was left once more to those who had been the leaders before and during the war. The seemingly hopeless task of rebuilding a social, economic, and political system was faced by a people which had been taken through the depths of humiliation and, at times, despair. Faced with a staggering debt, largely accumulated in the days when carpet-baggers and scalawags wielded the power of a plastic Negro vote, confronted with the inevitable breakdown of an industrial system which had been founded on the institution of slavery, lacking in most of the instrumentalities essential for bringing them to an equality with the triumphant North, the South was about to tread the weary way to rehabilitation. The way was weary, indeed; but not hopeless the toil, for, with their destiny largely in their own hands, there was assurance of better times.

The "Solid South," that bugbear which, with the fear of undoing the results of the war, had led the Republican majority in Congress to maintain an unnatural political situation, had come into being. Politically the term signified the dominance of the Democratic party although it was not for many years that this was the official designation of the organization. The name "Conservative," adopted by the opponents of "Radical" Republicanism, persisted partly on account of Reconstruction memories, and partly because many Southerners could not bear to call themselves Democrats. Although, as soon as the restraining influence of Federal troops was removed from any one of the southern states, the Republican party dropped into a minor position, it did not follow that there were no Republicans left; in the Appalachian highland where the plantation aristocracy of the lowlands had never established its unquestioned control there remained little islands of the minority surrounded by the dominant Conservatives. Furthermore, while a Republican administration was in office in Washington, Federal patronage kept alive an organization in all the South, and this organization continued to be an important factor in presidential nominating conventions, for, despite many attempts to bring about a change, each state continued to send a delegation of twice its number of senators and representatives. When it is considered that it was no impossible feat to deliver as a unit one or more such delegations it is not difficult to imagine the importance of such a condition to national leaders of the party. Locally, however, the designation "Republican" carried a stigma which suggested black freedmen and white carpet-baggers and all that their rule had meant.

Once more under the direction of men who had guided the destiny of the South during the war the immediate program was plain: economy and retrenchment must be the order of the day. Any man who had served in some capacity during the war and who promised to do his share in eliminating waste and unnecessary expenditure, hence reducing taxes, was sure of a hearing and his chances for political advancement were good. The latter half of the seventies and a considerable portion of the eighties, then, were distinctly the day of the Confederate soldier. This situation, however, was not uncontested. Most Negroes remained Republican, and, acting with a minority of the whites, in certain localities they were able to make their votes count. In North Carolina, for instance, Republicans, even Negro Republicans, were occasionally elected to office and sometimes were sent to congress. One result of this condition was a centralization of authority in the state and restriction of local self-government.

SUFFRAGE IN THE SOUTH

Taking the whole region where slavery had once existed the paramount problem was preventing the return of possible Negro control, a condition made potentially alarming by the possibility of renewed Federal control of elections. Threats of such a course were not unheard. At times, notably about the close of the eighties, there was reason to fear the reviving of the force laws of Reconstruction days. Furthermore there was always the menace of the Fourteenth Amendment. For years, when the issue was raised at Washington, it was considered no idle threat, but there is no question that, should the worst come, there was not a southern state which would not accept reduced representation rather than run the risk of allowing the black man unrestricted voice at the polls.

For several years there was dependence on devices of Reconstruction days to prevent any real participation of Negroes in governmental affairs. Warnings, sometimes accompanied by object lessons, broad hints to impress upon rash members of the colored race the advisability of remaining at home on election days, even occasional acts of violence—although, since the earlier days of the Ku-Klux, these were not often employed—served to render voting almost exclusively a white man's privilege in most of the South. Crude methods, however, could be and were replaced by those which smacked less of the strong arm after white rule was effectively restored. Stuffing the ballot box, using ballots of different colors, having more than one box and shifting them from time to time to confuse the uninitiated, were some of the devices used. Probably, however, the most effective checking of a noticeable Negro, and that meant Republican, vote came from two factors: in the first place the average plantation Negro had no active desire to vote; secondly, years of intimidation had produced an almost innate aversion to being in the neighborhood of a voting booth when an election was in progress.

However, conditions changed. All through the South the agrarian agitation, which manifested itself in Grangerism, the Alliance movement, and finally in Populism, was productive of a virtual revolution. Old leaders were overthrown; the white vote was split and for a time there was a possibility of each faction's relaxing its opposition to the Negro vote. Suddenly aware of the danger which lay in flirting with so dangerous an expedient, by mutual agreement white men buried their differences long enough to pass self-denying ordinances. Mississippi led the way in 1890 when her new constitution required of the prospective voter a residence of two years in the state and one in the election district or town, payment of a two dollar poll tax, and ability to "read any section of the constitution of this state," or "to understand the same when read to him, or give a reasonable interpretation thereof." Such regulations were calculated to keep the mass of colored men from the polls. When it is considered that under ordinary circumstances Negroes do much drifting about from place to place, and that the average plantation hand is notoriously improvident, it is not hard to understand how effective these measures were.

Mississippi's example was followed by other southern states. In 1893 Arkansas made one year's residence and payment of a poll tax franchise qualifications. South Carolina followed Mississippi's lead closely by requiring a residence of two years in the state and one in the county, and required a poll tax to be paid six months before the election; after January, 1898, each one presenting himself to vote must be able to read and write any section of the constitution or have paid taxes on property valued at not less than three hundred dollars. As in the case of Mississippi, South Carolina's constitution debarred from voting persons convicted of any of a long list of crimes such as most frequently were committed by Negroes. Delaware provided an educational test; Louisiana combined a poll tax with a literacy test; Alabama, Virginia, North Carolina, Georgia, and even Oklahoma, in 1910, followed the general example.

These precautions accomplished their purpose, that of reducing to a negligible minimum the voting Negro. But they did more; they excluded many a white man, as improvident, as illiterate, and perhaps as unstable as his colored fellow-citizen. At this critical stage Louisiana presented a plan which was calculated to eliminate the colored voter but to confirm the white man in his political privileges. This was the widely-heralded "grandfather clause."

> No male person who was on January 1st, 1867, or at any date prior thereto, entitled to vote under the Constitution or statutes of any State of the United States, wherein he then resided, and no son or grandson of any such person not less than twenty-one years of age at the date of the adoption of this Constitution, and no male person of foreign birth, who was naturalized prior to the first day of January, 1898, shall be denied the right to register and vote in this State by reason of his failure to possess the educational or property qualifications prescribed by this Constitution; provided he shall have registered in accordance with the terms of this article prior to September 1, 1898, and no person shall be entitled to register under this section after said date.

So pleased with the results of their astuteness were the Louisianans that they spread the news of the panacea they had discovered. The governor of the state travelled extensively to preach the efficacies of the grandfather clause. The idea was seized upon; North Carolina with her "permanent roll" of those able to vote on January 1, 1867, or a *lineal descendant* of such person, "*provided*, he shall have registered in accordance with this section prior to December 1, 1908" carried the immunity provision farthest of all the states except Oklahoma where an attempt was made permanently to disfranchise the illiterate Negro. Alabama had her permanent roll in 1901 and Virginia and Georgia adopted the same device. Naturally the Negro, and those who sought to maintain for him the right to vote, believed an appeal to the Federal courts would serve to restore those privileges which seemed to be guaranteed by the Fifteenth Amendment. Nevertheless small comfort was obtained, for it was not until 1915 that the validity of the franchise portion of the Oklahoma amendment was examined in the case of Guinn *v.* United States (238 U. S. 347) and the Supreme Court took the position that conditions existing prior to the adoption of the Fifteenth Amendment might not be reproduced, even though there were no "express words of exclusion." As yet none of the other "grandfather clauses" have been brought before the ultimate tribunal, and it does not necessarily follow that because one has been considered null and void all the others will, since no two are identical in phrasing or work out in the same way.[1]

THE SOUTHERN DEBTS

Replacing the corruption and spendthrift laxity of carpet-bag days with economy and financial efficiency was, to the conservative, next in importance to disfranchising the Negro. Each one of the states which had undergone Reconstruction groaned under heavy debts. In South Carolina, where there was a debt of about $6,666,000 in 1868, an increase of some $29,000,000 was brought about in the next three years; Alabama's obligations were swelled by $20,000,000; Louisiana's debt mounted from $11,000,000 to between $41,000,000 and $48,000,000. These are but examples of what prevailed everywhere in varying degree. In view of depleted resources, heavy taxation, and, above all, little tangible return for excessive bond issues, the feeling prevailed that something must be done to reduce the debt and this feeling was translated into general repudiation. It is unnecessary to detail the steps taken in the various states, but an illustration or two will suffice to show the general tendency.

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[1] Prior to the advent of the "grandfather" clauses several cases based on the Fifteenth Amendment had gone to the Federal courts, some of them reaching the Supreme Court. Since the right to vote was shown to have been restricted by the action of individuals and not state law, the court maintained that relief should come from the state. When educational and other tests were adopted the only hope for the Negro lay in congress' applying the punitive clause of the Fourteenth Amendment, and this congress refused to do. The "grandfather" clauses were on another footing, but the relief afforded by the decision in 1915 came at a time when the efficacy of those measures had been practically exhausted.

In Arkansas a $7,500,000 bond issue, floated by a Reconstruction government, was repudiated as unconstitutional, and in 1884 the validity of certain bonds issued in aid of banks was denied; a sum of $12,000,000 or $13,000,000 altogether was repudiated. North Carolina had one of the most varied experiences. $13,313,000 represented the new indebtedness outstanding when Reconstruction closed. No interest had been paid and little or no benefit had come to the state. Most of this debt was repudiated; that which was represented in Reconstruction bonds was thrown out incontinently, while a portion of what may be considerated a legitimate obligation was refunded in a much smaller total. The creditors, naturally, were dissatisfied and some of them refused to accept the decision of the state, although the officials let the offer stand to accommodate those who would finally make up their minds that nothing better could be obtained. In 1893 something like a million dollars worth of the old bonds had not been converted, and here things hung for several years until in 1901 an attempt was made to coerce North Carolina into making a more liberal accommodation. To South Dakota was presented a number of bonds which had been of the type convertible at one-fourth their face value; the recipient of the gift sued in the Supreme Court of the United States and forced North Carolina to pay in full. Nevertheless the ruse failed to bring a more liberal settlement with the bondholders who entered upon another long wait. In 1916 the lower house of the Rhode Island legislature passed a measure accepting another block of these bonds which were to be collected at par. Public sentiment, however, forced the senate to let the measure die. So far attempts to secure a more remunerative compromise for the creditors by forcing North Carolina to pay full value to another state, which under the constitution could sue her in the Supreme Court, have been unsuccessful and hopes of an eventual repayment in full either there or elsewhere are becoming very dim.

In Virginia the situation was complicated because considerable portion of the debt outstanding after Reconstruction had been contracted before West Virginia became a separate state. Consequently the struggle in this state was a double one: on the one hand there was a contest between those who would pay in full the obligation which was felt belonged to the old state and those who would repudiate wholly or in part; on the other hand there was the attempt to force West Virginia to assume a proportionate part of the burden incurred prior to secession. The first issue was eventually compromised in 1890, but it was not until 1919 that West Virginia at last consented to assume what was considered an equitable portion, despite long suits at law and a decision of the Supreme Court as early as 1911. The $14,500,000, which West Virginia finally agreed to assume was some six millions less than what the Supreme Court, in 1915, had pronounced her share.

These illustrations serve to show why the credit of southern states was for many years reduced to practically nothing, and why many of them were unable to float bond issues reasonable in amount and legitimate in purpose. But the "Confederate Brigadiers" fulfilled, partially at any rate, their campaign promises. Expenses were reduced by repudiation and smaller appropriations; taxes slowly began to come down. Economy was the watchword of the day as well as a slogan which for many years met with the approval of nearly all.

THE ALLIANCE REACTION

But there was such a thing as being too economical. When legislatures refused to pass or governors to approve appropriations for education, for roads, for the manifold instrumentalities which contribute to modern progress, murmurs began to be heard, and some openly grumbled that it was time for a change. Especially did this criticism come from farmers who fell in step with the Alliance movement of the eighties.[1] Many of the demands which had given the Grange a strong following in the South at an earlier date appeared as the predominant issues of the agrarian movement in the eighties. Unlike the southern Granger movement, the Alliance soon became a factor in politics. The outcome was an interpenetration of the Democratic party, the capture of offices and legislatures, and even seats in Congress. The old leaders, aghast at the turn of affairs, made vain appeals to the electorate with time-honored slogans. Such astounding things as the election of Benjamin R. Tillman for governor of South Carolina on a platform openly hostile to the old leaders, and his even more astonishing defeat of the venerable General Wade Hampton in a contest for a seat in the United States senate in 1892, showed that the tide had turned, and that even in the South it required something more than memories of the war and Reconstruction to win elections. The transformation of the Alliance into the Populist Party affected the South as well as the West. In addition to the overturn of the old order the movement produced other far-reaching results; in order to win votes to put through their measures the Alliance men, and later the Populists, turned to the despised minority, the Republicans, and in several states actual fusion occurred. Tangible results of the revolt were seen in a liberalized attitude toward various activities. Education was stimulated by more generous appropriations; agricultural colleges received money which enabled them to do something along the lines in which the land-grant colleges of the West had been working with noteworthy results. Other stimuli to better farming were provided, such as prizes, appropriations for county fairs, the building of better roads, and fostering of experimental work. Considerable, too, was done to remedy some of the abuses which had given rise to the whole movement, although in great part the alleviation of these evils rested with the Federal and not the state governments.

AGRICULTURAL READJUSTMENT

Predominantly agricultural before the war, there was no essential change in the general southern situation for many years after Reconstruction, nor, indeed, is the South yet markedly industrial except in spots. To raise again those enormous crops of cotton which supplied the mills of New England, to recapture at least a portion of a market which, with the outbreak of hostilities, sought its supplies in other portions of the world, to bring back and advance the production of sugar, rice, and tobacco, and to develop other marketable crops—these were the outstanding economic problems with which the disillusioned backers of the "lost cause" struggled during the trying years when they had been kept in political bondage. Capital to re-establish and extend lines of communication, to renew and repair rusting machinery which four years of military struggle had allowed to disintegrate, to start new enterprises which had been but indifferently supported in the days when "cotton was king," capital was needed so badly that even the Northerner coming into the South with money, which would release capital, would be welcomed despite the pent-up animosity of years. But the Northerner and the European, who was even more welcome, were loath to venture into a land where so much was to be done, and where heavy taxes, necessitated by the inefficiency and corruption of venal governments, threatened to absorb for years any possible profits. Some few people did, indeed, go into the South with money, but all told the accretion was far below what was needed and fondly expected. A few of the newcomers adapted themselves to southern conditions and made their way gradually to economic success and, with decided reservations, to political and social position. On the whole, however, the South was driven to the conviction that it must rely primarily on its own efforts, and grimly it settled down to the long and disheartening task.

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[1] The significance of this movement as a national affair will be considered elsewhere.

With the question of capital was the problem of labor. There was, to be sure, a mass of labor such as had existed before the war, but it was for the most part unskilled in anything beyond the simple demands of gang work. Even here the disintegrating effect of a change in economic status had brought about confusion and consequent continuation of underproduction. The owner of a one-time profitable plantation was without capital to replace tools, and he lacked money to embark on a wage system. Various methods had been tried to bring about a readjustment. A few attempted to struggle along in much the same manner as of old, and of these a portion finally re-established something like earlier conditions, although in place of the slave who lived in Negro quarters and received food, clothes and attention of a sort, was a hired laborer who was paid a small wage and depended on himself for that care which formerly had devolved upon his master. The wage took the form of supplies eked out by a small money payment which was soon spent for any trifle which caught the eye of the eager but unwise purchaser.

More erstwhile lords of many acres found some type of renting the only possible solution of their pressing problem. Large and moderate sized plantations were divided into small holdings which were rented to the freedmen, usually on shares. The owner not only furnished land to raise a bale of cotton but frequently supplied tools, draft animals for plowing, and even food and clothing which would be repaid by a portion of the crop. Some proprietors were able, with tact or docile renters, to make the arrangement work. Others, right in the midst of the growing season, saw tenants decamping, lured away by a promise of good wages or by a mere rumor of more enticing conditions elsewhere; this obliged the owners, who had sunk their meager capital in expectation of repayment when the cotton was hauled to the gin, to see that the necessary work was done to save some part of what otherwise would be a total loss. Gradually the system of tenancy began to modify and in place of the landlord's acting as banker, the merchant at the crossroads undertook the burden. Supplying food and necessary clothing, and throwing in occasional "extras" he obtained a lien upon the crop which, in all probability, would barely repay advances made during the growing season. Thus the tenant found himself virtually bound to the same country merchant year after year; it was almost impossible to get enough ahead to bring ready money to purchase his small necessities at better prices. Furthermore, even in the few instances where he dimly perceived the advantage of deviating from a one-crop system of agriculture, his creditor frowned upon such new-fangled notions. Cotton always commanded some sort of a market, although, with a gradual increase in production, the price fell at first slowly and then rapidly. Moreover there was no great likelihood of a total loss of crop, whereas should corn be substituted for cotton it might be ruined by a neighbor's cow or sadly depleted by a taste for roasting ears. Then, too, after the cotton was put in and brought through the earlier stages, little care was needed until picking time, while other crops could not be so easily neglected. Even if the tenant in the middle of the summer decided there was no object in remaining longer and sought pastures new, the merchant with hired labor could save all or a part of the crop and so prevent total loss.

Once begun the tenant system tended to perpetuate itself. It became the prevailing mode of southern farming not only for Negroes but for a considerable portion of the poor whites. Diversified farming, new crops, experimentation, all were discouraged, and it was only slowly that any advance was made over the methods which had operated for generations. Little by little, however, and especially after the Alliance movement had brought new life into the South, there was some branching out. While even to-day most of the South is still in much the same situation it was forty or fifty years ago, enough of a start has been made along other lines to hold out considerable promise for the future. Truck gardening along the Atlantic coast and in the Mississippi Valley, citrus fruit raising in Florida and other Gulf states, production of staple food stuffs, cattle breeding and hog growing have made their appearance and in the past two decades have begun to form a remunerative addition to the total agricultural output of the Southland.

SOUTHERN MANUFACTURING

The Civil War had demonstrated the disadvantages attending too great concentration on a single line of enterprise. Those who had turned a deaf ear to the remonstrances and pleadings of De Bow in his famous *Review* learned to their bitter regret that their chances to turn the "lost cause" into something else would have been facilitated had they been able to supply the machinery for replacement in mills or the iron for railroads to carry much needed food stuffs from regions where there was plenty to the armies and civilian population farther east. The impression that the ante-bellum South had only negligible manufactures, however, is not borne out by the facts; a very promising beginning had been made particularly in making textiles of the coarser kinds, and some of the mills, as in North Carolina, continued to run throughout the war or until hostile armies or decrepit machinery stopped their operation. With peace, capital from the North and from Europe was sought to re-establish and expand such manufactures. But, as in the case of agriculture, it did not come, and as the years went by it was more and more apparent that cheap coal and wood, water-power and cotton at the door of the factory were not potent enough to overcome the inertia of established institutions. Moneyed men hesitated to venture in the new field; labor still held the notion that manual toil was looked upon as slave work everywhere in the South and did not venture below Mason and Dixon's line. The result was that when manufactures did begin to grow they were the result of pooling the resources of southerners to supply the capital to erect a mill, buy machinery and procure raw materials. For years about all of the southern mills were strictly southern concerns. Most of them were small and at the outset engaged principally in making the coarser yarns and cloth. Except where a single individual or family owned nearly or quite all the stock in a factory, they were pretty much community affairs, in many instances workers in the same or other mills owning one or more shares. It was not until it was demonstrated that the South could and did make textiles that manufacturers of the Northeast realized they must look to their laurels. Then came mills erected with northern capital, and some of the largest units are those run as adjuncts to older factories in Massachusetts or Connecticut. Nevertheless the proportion of mills owned and operated by northerners long remained small in comparison with the Southern-owned type.

The labor question was all important. From the outset it was recognized that the Negro could not be relied upon. The impossibility of working the Negro and the white, especially the white woman, side by side in the mill, and the black man's lack of dexterity and capacity for steady labor, interdicted a reliance upon his toil. But there was a source of labor, practically unsuspected in earlier times, in the white stock of the Piedmont regions of Virginia, North and South Carolina and Georgia, and it is in the last three of the states that most advance has been made in textile manufacture. Among the hills and on the uplands lying westward of the barren strip which edges the fertile lowlands of the coast was a population descended from the English, the Scotch from northern Ireland, and the Germans who, in colonial days, had come to the new world and, after drifting down from New York or Pennsylvania, had settled in the nooks of the Alleghenies. Sturdy, vigorous, inured to a low standard of living, these people, when they could be induced to leave their little farms, could supply the mill hands. To be sure they lacked the skill of the New England operatives and for a long time it was felt that the South would never be able to produce anything except coarser fabrics, but with training, especially among the younger people, came added dexterity and ability to produce the finer yarns and textiles. In the years when cotton dropped in price so that the farmer was unable to realize anything for his labor after he had paid for fertilizer and replaced tools, the stories of single families' earning fifteen, twenty and even thirty dollars per week tempted more and more groups to come from the hills and take up their abode in some one of the numerous mill villages which arose along the fall line.

The move, which appeared so simple, was pregnant with a complete social revolution. The change from a products economy to a money economy, from the farm where problems of sanitation, housing and the like were unrecognized even if present, all required adjustment of outlook which was next to impossible for the older generation. From the point of view of physical exertion the toil in a mill—changing shuttles, drawing ends, tying threads, exchanging empty bobbins for full ones—seemed slight in comparison with the hard labor on the land. It was not recognized at the outset that the very necessity of being eternally on the job, long hours day after day, might exhaust more effectually than farm tasks from which there were long periods of abstinence. It is not surprising then that the father of a family, who had set his children to work at an early age "back home" saw no hardship in keeping youngsters of twelve or even ten years of age at work in the mill, and, although there can be no question of the ultimate deleterious effects of child labor, possibly too much emphasis has been laid on the ill effects of child labor in southern factories. Even those adults who were perfectly willing to do their share found that the scope of their activities was limited. Fingers roughened and stiffened by grasping plow handles and the hoe could not so easily perform the more delicate operations of spinning and weaving cloth, hence many a father, who had been willing or even anxious to continue to be an earner found himself cut off from anything more exacting or lucrative than doing occasional odd jobs or even becoming the "dinner-pail-toter" for the younger members.

Slowly came the recognition of the necessity for establishing restrictive legislation. Age limits and shorter hours were opposed by the employer who maintained that these hampering regulations put him at a disadvantage when compared with the northern manufacturer who could draw upon a larger and more skillful labor supply. The operatives themselves resented state action as an encroachment upon their prerogatives as free men and women. They urged the economic necessity of keeping the children at work to replenish the family purse and denied the right or justice of the state's informing them how to conduct their private affairs.

The same self-relying individuality of the workers served to check attempts at unionizing them, and it has not been until of late that the labor movement has made any appreciable advance in North and South Carolina or Georgia. Another factor which had made this true has been the ever-present possibility of going back to the land. Indeed, when the price of cotton, along in the early years of the twentieth century, began to mount, many a mill found itself facing labor famine because family after family packed up and went back to the farm to raise its bale or two of the indispensable fiber. Consequently labor instability has been another check to the development of class consciousness which must precede successful forming and functioning of labor unions. The rumor of better wages or better housing facilities in some other village has been the cause of arousing the migratory instinct which is so difficult to allay when once stirred.

While textile manufactures take the lead in the non-agricultural production of the South, other lines of activity have not been wanting. Foremost among these subsidiary ventures has been the extraction of iron and its fabrication into marketable products. The presence of coal and iron deposits in various portions of the old South had long been known, and pig iron had been produced in Virginia, West Virginia and Tennessee. Nearby deposits of coal, some of the coking variety, provided the fuel for smelting. Vast beds of coking coal and iron ore in close proximity in Northern Alabama had been known but not worked, but with the opening of these and with the tremendous strides taken in steel and iron production in the United States as a whole, the eighties saw a rapid development in this industry. To-day Alabama is not only the foremost of the southern states in the production of iron and steel, but ranks fourth in the United States. This, however, gives an erroneous idea as to its total output for it is only about six or eight percent of the total for the country. Birmingham, Alabama, connotes another Pittsburgh and, in fact, this city is often called the Pittsburgh of the South.

In addition to the coal and iron, petroleum, first in West Virginia and later in Texas, Arkansas and Oklahoma, has assumed an ever-increasing importance. The past few years have produced a real revolution in the new state of Oklahoma: fortunes have been made overnight; towns have sprung into cities and open prairie has blossomed, or degenerated, into straggling towns. Since some of the oil-bearing regions have been found on land reserved to Indians, some of the aborigines have at last come into their own. The sale of automobiles, pianos, phonographs and such-like evidences of civilization, has advanced by leaps and bounds. Of some importance, but as yet relatively little, are the other mineral products.

Southern lumbering is distinctly a *post-bellum* development. As the white pine of the northern forests went through the sawmills to make houses and other usable commodities and no steps of any effective nature for reafforestation were taken, it became possible to place the long-leafed pine of Alabama, Mississippi, Louisiana and Texas in the timber markets of the country and the world. But despite the example of Maine, Wisconsin or Minnesota, the same system of stripping the timber growth has been followed so that to-day the end of what seemed an inexhaustible supply is in sight and already more lumber is shipped from Texas than from the states farther east. Although timber for raw material and coal for power have been plentiful, lack of skilled workers has prevented the production of other than the rougher forms of lumber products. Some furniture is manufactured and wooden portions of agricultural implements are made in some places; but all together the total output of manufactured wood ranks very low in the South.

The nearness of raw material has gradually attracted manufacturers of tobacco into the South. To-day Winston-Salem and Durham in North Carolina are recognized as centers of production of smoking tobaccos, cigarettes and cigars, although the latter are much more closely identified with Florida where the proximity of the Cuban crop is a great factor. Louisiana is beginning to vie with Florida and Connecticut in the cigar manufacturing, while Richmond, Virginia, turns out millions of cigars and cheroots.

While there has been a notable increase in general manufactures throughout the South, the whole amount may easily be overestimated. A census report of 1914 showed only seven of the states among the first twenty-five in value of output, and even Minnesota, which is customarily looked upon as a state primarily devoted to agriculture, outranked all the southern group. Just as in cotton raising, the World War gave a great impetus to southern manufactures. More wealth flowed into the South than ever before and resulted in lifting of mortgages, developing new, and sometimes unstable, enterprises, and generally raising the whole economic status.

Cultural Development

The cultural development of the South was sadly retarded by the war and Reconstruction. While some advance has been made since about 1877, on the whole it has not kept pace with material progress. The streak of economy which followed the riot of Reconstruction resulted in a niggardliness in expenditures for schools just as it did along other lines. Furthermore, there was far more attention to the education of the whites than of the Negroes. The result was a deplorable illiteracy partially revealed by various census reports but even more uncovered by the selective draft during the Great War. While the situation in the South is bad, and the people themselves recognize it, they can take some poor comfort in contemplating what has been shown in states of other sections where certain unction had been taken when considering the less fortunate sisters of the South. The Alliance and Populist movements gave a decided impetus to the cause of education. Even before the Civil War there had never been a great amount of money appropriated for schools, and while much effort and money were expended during Reconstruction especially for the education of the Negro it cannot be said that any great or lasting good was accomplished, while the school funds of the various states were largely dissipated by the extravagant governments. Scarcely a state could show in 1880 as large an expenditure of money, public money, as had been the case in 1860. But the demand for something to lessen the gulf between educational progress in the South and in other parts of the Union began to have its effect, so that during the nineties and thereafter appropriations both for primary and higher education began to increase steadily. Several special foundations have played an important part. The Peabody fund, for example, established in 1867 by George Peabody and increased to three and a half million two years later, under the administration of Dr. Sears, who resigned his position as president of Brown University to accept the trust, and, after his death, of Dr. J. L. M. Curry, did much to stimulate and direct educational endeavor among people of both races. Other funds played a part. The General Education Board has expended millions and caused like sums to be raised by private subscription to improve institutions which train teachers especially for secondary schools.

The question of Negro education has naturally been a difficult one. Many denied that a literary education was beneficial in any way to the colored man; teaching him to read and write spoiled a good field hand and produced nothing useful in exchange. But latterly sentiment has begun to change, and, while a smaller amount than for whites is provided either by public or private appropriation, more attention is given to the matter. Perhaps the most notable advance has come directly and indirectly through schools like Tuskegee Institute, directed until recently by Dr. Booker T. Washington, and Hampton Institute, its prototype. Believing that progress in every line depended on economic improvement the principal work of these schools, and especially of the former, has been to train colored men and women who could go back to their own communities and there, by precept and example, demonstrate the advantages of better farming, better housekeeping, and the value of knowing a trade. In general Dr. Washington's work has been approved by the thinking portion of the whites, but there are among the Negroes some like W. E. B. DuBois who maintain that industrial training is but a recognition of and incentive to keeping the black man in his position of inferiority.

The World War produced educational results in that it has stimulated authorities in some of the states to find out what their condition is and what may be done to remedy it. Educational surveys have been conducted by experts and there are hopeful signs that improvement will follow. North Carolina, which broke away from Radical rule in 1870 and which was never quite so thoroughly a part of the political "solid south" as the rest of the secession region, has been peculiarly notable from this point of view.

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CHAPTER V

POLITICS OF THE HAYES ADMINISTRATION

President Hayes entered office under as trying circumstances as ever faced a chief executive of the nation. He had been nominated by a convention which wanted Blaine, and he was charged with a stolen election. His own party was divided. At the time of his inauguaration he was in his fifty-fifth year, and although he was known throughout the country, few had considered him presidential timber. He was not a brilliant man, but he had solid parts which were equally acceptable in the long run. In his letter accepting the nomination he had emphasized the necessity of reform in the civil service which should be "thorough, radical and complete"; he had preached reconciliation with the South. In common with most Republicans he never questioned the legality of his election, but the moral issue was there, and all through his administration he had to bear the reproach of holding a stolen office.

The list of department heads which President Hayes submitted to the senate was one to inspire confidence in his sound judgment. John Sherman, as secretary of the treasury, had served continuously in congress from 1855, and was unquestionably the best-known man; thoroughly a party man he commanded respect for his general fairness, his sanity and his good temper. William M. Evarts, in the state department, had broadness of vision and experience in public affairs gained as attorney-general in the latter part of Johnson's administration, as counsel for the United States before the Geneva Convention, and one of the lawyers who appeared before the Electoral Commission. Carl Schurz, one of the Liberal Republican leaders of 1872, as secretary of the interior would lend strength to the cause of civil service reform and would have influence with the German element all over the country and especially in the Mississippi Valley. R. W. Thompson, secretary of the navy, was suggested by Oliver P. Morton. Attorney-general Charles Devens of Massachusetts brought in the old-soldier element. As a step towards re-establishing better relations between North and South Hayes thought of choosing the Confederate General Joseph E. Johnston for one position, but his political friends convinced him that the time was not ripe for so radical a step. Even D. M. Key, a Confederate veteran of Tennessee, chosen for postmaster-general, roused a storm of protest. G. W. McCrary of Iowa in the war department not only was a further recognition of the west but his selection added a man who had taken a prominent part in the investigations of previous years, notably in connection with the Crédit Mobilier.

The Débris of Reconstruction

The southern question was the first real issue to engage the attention of the president and his cabinet. Florida had succeeded in shaking off her carpet-bag régime during the previous winter, but South Carolina and Louisiana were still struggling with double governments. In the former, where the canvassing board had found enough votes to seat the Republican presidential electors, General Wade Hampton had received a majority of the votes cast for governor. By refusing to issue certificates to certain Democratic members of the legislature, the returning board had prevented the organization of a body in which the dominant white party of the state would have both a quorum and a majority. But, sitting in the same chamber, both Democrats and Republicans claimed to have a control of the situation. The Republicans declared that Governor D. H. Chamberlain had been re-elected and that the so-called election of Hampton was a fraud, although the Democratic members of the house, together with Democratic senators, upheld the selection of the latter. Thus two governments faced and defied each other.

After fruitlessly suggesting to Chamberlain and Hampton that the situation might be smoothed over without outside interference, the president summoned them for a conference in Washington. After interviews with both he determined to withdraw the Federal troops, and on April 10 Chamberlain left his governorship and the state. Years afterward Chamberlain confessed that the course taken by Hayes was the only one which could have brought peace to the troubled state: "Economy succeeded extravagance; judicial integrity and ability succeeded profligacy and ignorance on the bench; all the conditions of public welfare were restored."

Complicated as was the situation in South Carolina it was simple when compared with that in Louisiana. S. B. Packard, United States marshal and Republican state chairman, had used his office to manipulate registration so that the election of 1874 had been a farce. Then through the returning board he and Governor Kellogg had overthrown a clear majority of Conservatives in the house of representatives, and so had helped to keep Louisiana under Radical rule. In 1876 Packard had been the Radical candidate for governor, opposed to the Conservative F. T. Nicholls. On the face of the returns his election had been as valid as that of the Hayes electors. Not only did two governors claim to have been elected, but there were two legislatures striving to function. With Packard, whose authority was acknowledged in only a small section of New Orleans, was a portion of one house of the legislature. A short distance away was "Governor" Nicholls, supported by no Federal guard but upheld by public opinion, with a quorum of senators and a partial house. The courts of the city, depending upon him to carry their decisions into effect, were functioning freely. No taxes could be levied but voluntary contributions made it possible to carry on the necessary operations of government.

Such was the condition reported to the president by a commission of five appointed even before the South Carolina situation had been solved. When he received the report with a recommendation to remove the federal forces, the president, with the approval of all but one of his cabinet, directed Secretary McCrary to order the withdrawal of the troops. And so, as in the case of Chamberlain, Packard found his shreds of power stripped away and felt it expedient to take his departure from the scenes of his former questionable triumphs as quickly and as unostentatiously as possible. Nevertheless he took one parting shot at the president for leaving him in the lurch.

Sane opinion of the time, as well as almost universal opinion later, approved the president's action in Louisiana and South Carolina. Universal acceptance of the president's policy was expressed by an editorial in one Republican paper; the New York *Tribune* said that he had dealt with the problem as though he had not known by which party he had been elected, and gave him unqualified support. But not all joined in this chorus of approbation. Benjamin F. Butler, a Stalwart who had at the outset opposed the confirmation of Evarts' appointment to the cabinet, stated, after Hayes had ordered the withdrawal of the troops from South Carolina, that his policy was a compromise and was bound to fail. One northern paper of Democratic leanings opined that "if Republicans speak their real thoughts [the president] will learn that his Southern policy commends itself neither to their hearts nor minds." One westerner believed that the course of the president was wrong because it practically nullified the fifteenth amendment, and believed that it had been taken for the benefit of moneyed interests of the East. James G. Blaine opposed the policy at first, but later came around to the other side. Wendell Phillips lamented that "the troops once withdrawn blood and starvation will rule the South."

While here and there were individuals out of politics, like Phillips, who thought they saw in the withdrawal of federal supervision an undoing of the results of the war, generally the most pronounced opposition came from politicians, men who tempered their philanthropic concern for the disfranchised black with a consideration of the political consequences. It was obvious that Republican chances of longer dominating the reconstructed states had gone; the "solid South" had come into being, and this meant that the party must find its strength in the North and West alone. The elections of 1874 and 1876 had clearly indicated that there was a possibility of losing many supporters there, hence Hayes' policy had an immediate bearing upon political fortunes. Whatever the motives, however, the freeing of the South helped split the Republican party into two camps, the Stalwarts who were for carrying out old policies, and the more moderate men to whom the name "Half-Breed" was applied.

In the South satisfaction was expressed. As one editor put it, "Mr. Hayes has done well by our people, and he deserves well of them." Nevertheless that satisfaction can hardly be called gratitude; in the first place it was felt that it was merely a case of belated justice. Furthermore the South, and politically that meant the Democratic party, joined with the Democrats of the North in refusing to acknowledge that Hayes had been legally elected—he was president *de facto* but not *de jure*. Consequently from no Democratic congressmen could he get the support which the Stalwarts refused. Indeed, the whole episode seemed to prove to many persons the charge that the whole business was the result of a bargain: in return for southern electoral votes Hayes had agreed to remove the troops, a charge which was absolutely unfounded.

There was one other struggle over the remnants of reconstruction during the Hayes' administration. The election of 1876 had returned a majority of Democrats to the lower house of congress. The "Southern brigadiers" united with their northern brethren in a determination to remove from the statute books as many as possible of the unpleasant reminders of their years of bondage. Foremost among the obnoxious laws were the jurors' test-oath act, the federal election law, and the provision which authorized the use of federal troops at polling places. While the test oath had no application outside the South, both other acts could be and had been enforced elsewhere in the Union. Consequently, while in the discussion of the repeal of the measures stress was laid on the southern aspect, not a few northerners were anxious to bring about state control of elections.

In the last session of the forty-fifth congress (1878–79) the Democrats in the house tried to accomplish their purpose by attaching as riders to the army appropriation bill a clause prohibiting the use of troops, and to the legislative, executive and judiciary appropriation bill a repeal of the other two measures. The senate refused to pass the bills, and this congress came to an end with no money for these departments. Thereupon President Hayes called a special session of the forty-sixth congress to meet on March eighteenth. In this congress there was a Democratic majority of eight in the senate and seven in the house, with a dozen-odd Greenbackers inclined to act with Democrats on many matters.[1] When congress assembled the president sent a brief message calling attention to the necessity for appropriations. Thereupon the Democratic caucus placed the management of their campaign in hands of a joint committee which, after deliberation, determined to continue the course pursued during the previous congress. The president blocked all attempts to repeal the offending legislation so the Democratic majority attempted to "save its face," and at the same time secure as much as could be obtained. An army appropriation bill, with a clause prohibiting the use of federal soldiers as a police force at the polls, was passed and approved, while the other appropriation measure was split into two parts. The first portion, providing for the support of the legislative and executive departments, was passed and signed. To the other were tacked provisions repealing the jurors' test oath and forbidding the expenditure of federal money in any way in connection with elections; this measure Hayes vetoed on June 23d. Thereupon the Democratic leaders brought forward a bill providing for customary judicial expenses, except those of United States marshals and their deputies, which were in a separate measure which included the test oath repeal. This too Hayes vetoed and congress adjourned without having supplied funds for the pay of the marshals.

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[1] The elections of 1878 had cut severely the large majorities which the Democrats had enjoyed in 1876, and in addition to a vote of about a million which the Greenbackers had piled up, there had been a swing back to the Republican columns of many districts which had gone over to the opposition two years before.

Republican newspapers for a time played up the work of the "Southern Brigadiers," but it was largely for political effect. So too were the investigations into the circumstances accompanying the 1876 election and its sequel. A Democratic committee in the house and a Republican committee of the senate raked over the unsavory details of the whole matter but little was produced to bring out more than the fact that the whole southern affair was tinged with under-handed work, and that there had been suspicious communications between Oregon Democrats and certain New York men high in party councils. In spite of the revelation congress did nothing to prevent a recurrence of another similar situation. Senator Edmunds of Vermont and others attempted to have passed a permanent electoral count act. Nevertheless it was nearly ten years before anything was done.

Rumbles of the war and Reconstruction were to reverberate for years to come, but more faintly as time went on. The comparative indifference of the public to the "revolution" in 1879, the growing impatience with "statesmen" who insisted on "waving the bloody shirt" when the people demanded legislation bearing upon the economic problems, old and new, and especially new, all testified to the fact that the aspirant for political honors stood a much better chance for success if he ignored the past and devoted his attention to real issues.

Labor Agitation

Grangerism and the rise of the Greenback party represented only a part of the unrest which was affecting society. The Greenbackers had, it is true, drawn some support from labor but that had been relatively small. Nevertheless that phase of the changing industrial life of the country was forcing itself to prominence in an unprecedented way. In the Pennsylvania coal fields the "Molly Maguires" had been the cause of a brief reign of terror, but more fundamental were developments during the summer of 1877.

After the Civil War there had been a rapid development of labor organizations which had been seriously checked by the panic and hard times. But with improved conditions the movement took on new life and 1877 was a year marked by the most extensive and far-reaching labor disturbances the United States had so far experienced. Trouble started with employees of the Baltimore & Ohio Railroad, where in May a wage reduction, the fourth within three years, was announced for July. The locomotive firemen struck and persuaded or forced men in other branches to join them. The strike spread to other roads, and at Martinsburg, West Virginia, where it began, peaceable methods were supplemented by an appeal to force. Trains were prevented from running, and the whole line of the Baltimore & Ohio was tied up. Unable to deal with the situation either with local police or state militia, the governor of West Virginia appealed to President Hayes for assistance; federal troops were sent to the disturbed areas and the rioting was stopped wherever the soldiers were, but the trains did not run. As the strike spread other states were involved, and one after another the governors of Maryland, Pennsylvania and Illinois requested federal aid. Altogether at least twelve states were involved. In each case, while the demonstration began quietly enough, rougher elements changed a peaceful strike to rioting and destruction of property. Pittsburgh, where the employees of the Pennsylvania Railroad were concerned, became the scene of the greatest disorder, in part owing to the mismanagement of the situation by state militia and partly because the sympathy of the town was predominantly with the strikers. Property was destroyed and several lives were lost; later a decision of the Supreme Court of Pennsylvania forced Allegheny County to pay damages to the extent of nearly three million dollars because "of a great city looking on with indifference while property to the value of millions [was] being destroyed."

There were other serious strikes during the summer of 1877; in the anthracite region of Pennsylvania, in New York, in Chicago and elsewhere, thousands expressed their dissatisfaction with wage scales or conditions of labor by striking, and in many instances there was disorder, which, however, was handled either by local authorities or by the state government. But, aside from the magnitude and wide extent of the demonstrations, the most significant factor in the whole episode arose from the call upon the federal government to intervene with its power to help adjust disputes arising from industrial conditions. Looking back it is easy to see that this marked a departure in many ways; the exaltation of the nation at the expense of state governments denoted a centralization arising entirely apart from old notions of political theory and the doctrine of distribution of powers. People were inclined to view with alarm the rise of what seemed to be a new problem: capital and labor facing each other in industrial warfare in such a way as to threaten the well-being of perhaps millions but remotely connected with the specific issue. The ease with which order was restored when the federal government intervened emphasized the fact that economic life had gone beyond its old bounds and thenceforth there was a tendency to look to Washington for aid in difficult situations.

In 1878 strikes were fewer and less violent, partly because times were picking up. Moreover those of 1877 had in only a few instances brought the desired results. To some extent labor unrest was affecting politics. Not many laborers had been tempted to seek political affiliation outside the old parties, but the action of 1872, as well as the interest of individual labor leaders in the Independent [Greenback] campaign of 1876, had caused more than passing interest. In several states where Greenbackers had organized, local elections brought a fusion of labor and agrarian elements. In others one of the older parties, usually the Democratic, put Greenback demands in its platform.

The Silver Issue

Eighteen seventy-seven was a year of agricultural depression, thus stimulating the new party. In February, 1878, a conference at Toledo was attended by some hundreds of delegates representing the independent political movement of twenty-eight states and the National, or, as it was generally know, the Greenback-Labor party was organized. A new name was chosen, but the principles were little changed. Foremost among the resolutions of the Toledo Platform was a denunciation of "the legal tender quality of greenbacks, the changing of currency-bonds into coin-bonds, the demonetization of the silver dollar, the contraction of the circulating medium, the proposed forced resumption of specie payments, and the prodigal waste of the public lands." As in 1876 the platform called for abolition of national bank notes, issuance of government notes or Greenbacks, and free coinage of silver. Nonmonetary planks included demands for the reservation of public lands for actual settlers, an eight-hour day established by law, labor bureaus, suppression of Chinese immigration, and discontinuance of contract prison labor. In response to a telegram from Brick Pomeroy of Chicago the conference pronounced against fusion with any party and favored maintaining a national association which would support "only men who entirely abandon old party lines and organizations." Such a pronunciamento, however, proved of little weight when in the subsequent campaigns there was an opportunity to obtain support by fusion. Another eleventh-hour resolution was adopted as a result of a telegram from General Benjamin F. Butler who wished the conference to record its opposition to a silver bill then under consideration in congress.

The silver question interested men outside the new party. It was, in the early part of 1878, the most widely discussed issue in the country. When, in 1873, congress had demonetized silver by omitting the silver dollar from the list of coins to be minted in the United States, it had done little more than legalize the existing monetary situation since 1834, when provision had been made for the coinage of a dollar of 412½ grains. This had made the ratio by weight of silver to gold a little under sixteen to one. At the market value of the two metals this had virtually demonetized silver because 412½ grains were worth more than one dollar. Moreover, the United States had but put itself in line with the tendency abroad where the strongest countries were getting on a gold or single monetary basis. The middle seventies, however, had brought a revival of the mining boom of the late fifties and an increasing amount of silver was thrown upon a declining market. The miners maintained that the decline in the price was primarily due to demonetization, that the remedy lay in opening the mints of the United States to unlimited coinage. On the other hand, not only Greenbackers but others who had not left the old parties believed that the method of relieving their necessities was to put more money into circulation, and free coinage of silver at its legal ratio would be one way to do it. Both factions were well represented in congress, and both were inclined to reiterate and believe the statement that demonetization had resulted from an unholy plot of eastern money lenders. The "crime of '73" had no basis in fact, because the omission of the silver dollar had been freely discussed in congress, but this truth could not prevail against popular belief.

Richard P. Bland, a congressman from Missouri, had in December, 1876, introduced a bill for the free and unlimited coinage of silver, and on the same day it passed the house by a vote of 167 to 53 (69 not voting.) In the senate it was reported out of the committee on finance without recommendation, because there was pending a report from a commission which had been appointed to investigate the whole currency matter. No action took place before the forty-fifth congress adjourned *sine die* on March 3, 1877. On November 5, 1877, the bill was introduced again and passed by the house. In the senate, on motion of Senator Allison of Iowa, it was changed to limit the amount purchased to not less than two or more than four million dollars worth per month, and in the amended form went to the house where, after a struggle, the amendments were accepted, on February 21, 1878. When it reached the president it became a subject of cabinet discussion, although Hayes had already made up his mind to veto it. With his advisers almost a unit in recommending signing he adhered to his purpose, and on the last day of February sent the measure back to the house with a message giving his reasons for the veto. Both houses proceeded immediately to pass the bill over the veto, and the Bland-Allison act act became the law of the land for twelve years.

This halfway remonetization satisfied no one. The silver men accepted it as better than nothing and resolved to push their partial victory to a triumphant finish. Those who thought bimetallism or a double monetary standard an impossibility foresaw infinite difficulties in maintaining not only greenbacks but an ever-increasing volume of silver on a gold basis. Recognizing the futility of playing a lone hand the framers of the act directed the president to "invite the governments of the countries composing the Latin Union, so-called, and of such other nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver, for the purpose of establishing, internationally, the use of bimetallic money, and securing fixity of relative value between those metals." Three commissioners were to be appointed to attend such a conference and report the proceedings to the president and congress. Both of the old parties were willing to have the United States adopt a bimetallic standard if the leading countries of the world would do the same. In this they differed from the silver advocates, and particularly from those in the Greenback Labor party, who were confident that the American nation was capable of establishing and maintaining its own standard irrespective of what others might do.

On the monetary issue alone the Greenbackers felt they had sufficient grounds for entering whole-heartedly the campaign of 1878. Nevertheless, no matter how much silver was featured, the agrarian element pinned its faith to government-issued notes, legal tenders. They believed that any and all metals would give neither the volume nor the elasticity which the fluctuating and growing business of the land required. Their confidence in their cause appeared to have ample grounds, for they polled about a million votes in 1878. These votes did not, it is true, all come from the new party, for there was fusion wherever possible. A number of state officers and fifteen congressmen were elected as Nationalists. Six of these were from western states, six from the east and three from the south. An analysis of the vote which elected these fifteen men shows that, although their platforms emphasized both labor and agrarian demands, it was essentially a farmer vote which counted. The farmer element could and did take much satisfaction from the outcome; if 81,000 votes in 1876 had grown to a million in 1878, there was reason to look forward with hope to 1880 and the presidential campaign.

Republicans in the Campaign of 1880

Outside the new party new issues were forcing themselves upon the attention of the public. Politically it was a time when dissention within the Republican party combined with Democratic opposition made the position of the president peculiarly difficult. President Hayes had at heart the freeing of civil service from corruption. He had done what he could to divorce partisan political activity from the routine of governmental functions, to the disgust of influential members of his own party who desired to continue the old methods. On the other hand, his failure to make changes sweeping enough had brought down upon his head the maledictions of civil service reformers who, without responsibility, could easily point out deficiencies in his course. As the election of 1880 drew near none would have ever guessed that a president desirous of cleaning the Augean stables was in the White House. Mr. Hayes had let it be known that he would not be a candidate for re-election; his party was at one with him on this topic—one term of Hayes was enough. The result was that the president was powerless to prevent trafficking in office preliminary to the selection of delegates to state and national conventions. Promises were made right and left. On the other hand, Democratic victories in 1878 fired that party with high expectations for 1880.

Hayes' administration, however, was not without its supporters. Many of the rank and file of the party were able to see that while the president was not a brilliant man he had made a creditable record in Washington. While Hayes himself was not a candidate for renomination, those who had approved his course looked to men who had been helping in his policies. The secretary of the treasury, John Sherman of Ohio, was looked upon as presidential timber not alone for his association with Hayes, but on account of his own record. Senator Edmunds of Vermont commanded the widest support of independent Republicans, and Elihu Washburne of Illinois was spoken of as a possibility. But out-distancing all of these men in popular support were two figures who had been prominent in 1876; one was James G. Blaine, unquestionably the most popular man of his party, and the other was General Grant who had returned in a blaze of glory from a trip around the world.

Enthusiasm for Grant, and forgetfulness of what had happened while he was president were not lost upon the "Stalwart" leaders. The senate triumvirate of Conkling of New York, Don Cameron of Pennsylvania, and J. A. Logan of Illinois, watched with satisfaction the course of events and laid their plans to secure his nomination in 1880. They counted not only on Grant the general but upon the scant sympathy Hayes had found in his civil service reforms; they believed that the old soldier vote could be delivered as a unit. Quietly they prepared the ground with their subordinates in Washington and elsewhere, and when Grant returned sounded him out on his attitude. He was noncommittal, but the impression was left that he would not stand against an overwhelming popular demand. His best, that is his most disinterested, friends viewed with apprehension the awakening eagerness of Grant. Cameron and Conkling secured from their state conventions resolutions pledging delegations to Grant. But Blaine's friends were not idle, and several states went on record in his favor. All this resurrected political scandals. Events, particularly of the second administration of Grant, were rehearsed; and Blaine's connection with the affairs of 1876, particularly the circumstances which brought the Mulligan letters into prominence, began to figure in the headlines of city dailies. It was, then, from the point of view of the politicians as well as the average man, a contest between Conkling and Blaine. The independents preferred Edmunds or Sherman, but they trusted Grant more than they did Blaine.

The Republican convention assembled in Chicago late in May; Conkling had just over three hundred delegates for Grant, but it took 398 to nominate. Both Conkling and Blaine were on the ground early seeking to gather in unpledged delegates. Forces opposed to the Stalwart element were under the leadership of James A. Garfield who came as a delegate from his district in Ohio and who took charge of the movement to secure the nomination of John Sherman. It soon became a contest between Conkling and Garfield, the former seeking to whip the convention into line for Grant and the latter heading the independents for Sherman. When the nominations were made and the first ballot taken Grant had 305 votes, Blaine 286, Sherman 93, Washburne 31, Edmunds 34, Windom 10 and others a scattering few. The balloting continued; Grant's adherents remained firm, and from time to time secured an unpledged vote or two, but never did his total exceed the 313 obtained in the thirty-fifth ballot. After a time Edmunds' friends shifted all but 12 votes to Sherman, but he, instead of continuing to gain, began to lose, and it was clear that his selection was impossible. In the midst of the balloting an occasional vote was cast for Garfield, who attempted, at least in appearance, to check this movement. On the thirty-fourth ballot Garfield received 17 votes, the thirty-fifth raised this to 50, and the thirty-sixth ballot gave him 399 votes and the nomination. Chester A. Arthur, Conkling's right hand man in New York, was chosen for vice-president.

The nomination of Garfield was a real instance of a dark horse. His name had not been seriously considered prior to the convention, but, on the whole, he was an acceptable candidate. He had a creditable war record and his service in congress had given him prominence. But his connection with the Crédit Mobilier affair, the Salary Grab, and particularly his receipt of an unusually large fee in the de Golyer case had raised the question of the purity of his political record. After the animosities of the campaign were cleared away friend and foe agreed that Garfield was a man of upright purpose. He was, however, vacillating; his inability to take a position and to stick to it gave grounds for the charge of political inconsistency. He seems to have been constitutionally unable to say no, and his desire to please everybody led him into many a difficult position.

The Republican platform as introduced was the usual conglomeration of indefinite pronouncements on various subjects, many of them calculated to have merely local appeal. The absence of a civil service plank precipitated a contest from the floor when a clear cut plank in favor of reform was introduced by J. M. Barker of Massachusetts; this in turn brought from a Texas delegate a frank statement that offices were the perquisite of the victorious party and that it was the intention to get and keep them if they won the election. The work of the previous years, however, had been too well done to allow this cynical view to hold, and a majority of the convention insisted upon a civil service plank. The tariff plank was not an out-and-out demand for protection as a Republican policy although it tended in that direction.

The Democratic Forces

The Democrats were jubilant over the dissension in the ranks of their opponents. Logically Samuel J. Tilden would have been their candidate, but two things, among others, prevented his selection: he was old and not strong, and Tammany opposed him. With Tilden eliminated the Democrats took a leaf from the book of the Republicans and selected, on the third ballot, a man with a war record, Winfield S. Hancock, of Pennsylvania. William H. English of Indiana was nominated by acclamation for the second position. The platform excoriated the Republicans for what was called the perfidy of 1876, included the usual Jeffersonian principles, denounced the course of the administration for "making places in the civil service a reward for political crime," and demanded "a reform by statute which shall make it forever impossible for the defeated candidate to bribe his way to the seat of a usurper by billeting villains upon the people." The third plank combined pronouncements upon the tariff and money: "Home rule; honest money consisting of gold and silver, and paper convertible into coin on demand; the strict maintenance of the public faith, State and National, and a tariff for revenue only." The Democrats also demanded a modification of the Burlingame treaty with China, and put itself on record in favor of "no more Chinese immigration, except for travel, education, and foreign commerce, and therein carefully guarded."

There was a bid for the labor vote by calling the party the "friend of labor and the laboring man" pledged "to protect him alike against the cormorant and the commune."

THE GREENBACKERS

On June 9th the Greenback National party met in convention in Chicago. Its platform gave prominence to the monetary issue, despite the fact that the act for the resumption of specie payments had gone into operation eighteen months before, and reiterated the demands of 1878, with somewhat more emphasis on labor planks. A few of the pronouncements were much like those which in later years appeared in the platforms of the major parties, such as regulation by congress of interstate commerce, and a denunciation of "gigantic land, railroad, and money corporations and monopolies." A graduated income tax, removal of restrictions upon suffrage and a decrease in the standing army were also called for. When it came to a selection of nominees, an informal ballot gave General James B. Weaver of Iowa the lead with 224½ votes, while Hendrick B. Wright had 126½, Stephen D. Dillaye 119, and Benjamin F. Butler 95. Before the result of the balloting was announced changes were made and General Weaver received the entire vote of the convention or 718 votes. B. J. Chambers of Texas received 403 votes and the nomination for vice-president.[1]

Although some uneasiness on the part of old leaders was felt about the possible strength of the Greenback National party, nevertheless in the country at large interest concentrated upon the two major organizations. Real issues were generally subordinated to personalities. In the course of the campaign some Republicans hit upon the Democratic demand for a tariff for revenue only and were able to make capital of what they called the surrender of the American manufacturer and laborer to the sweated industries of the old world. General Hancock summed up the tariff situation when in an interview he said that the industrial life of the country would have as much protection under a Democratic administration as would be the case with Republicans in power. "The tariff," he said, "is a local question." The Republicans shouted their derision and organized a campaign to draw the votes of laborers, who, they said, would have lower wages and unemployment as a result of Democratic policies, and manufacturers, who had no desire to meet the competition which an open market for European products would bring.

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[1] Two other parties put candidates into the running, the National Prohibition with Neal Dow and H. A. Thompson, and the American with John W. Phelps and S. C. Pomeroy. In the election of 1876 the Prohibitionist candidates had received a popular vote of 9,522, while the American party had polled 2,636 ballots.

The Democrats made the most of the weaknesses of the Republican candidate and played up Garfield as a shifty, dishonest politician with a malodorous past. General Hancock's career offered no hold for a campaign of retaliation in similar coin, hence the Republicans had to be content with clearing the record of their standard-bearer, a record, in fact, indicative more of lack of backbone than of political shiftiness. The campaign of 1880 was probably more marked by the use of money, not only for legitimate campaign expenses but for other purposes less defensible, than any up to that time. Neither party hesitated to employ whatever means it could command, and if the Democrats spent less it was simply because they had less to spend; not controlling the federal offices, they could not levy upon their holders, and large business interests had already come to be identified largely with the Republican party.

The November elections confirmed the indication of earlier tests, for Garfield received 214 electoral votes to Hancock's 155. The popular vote, however, showed no such margin of difference; the Republican electors obtained 4,449,053, the Democratic 4,442,030, and the Greenbackers 307,306. The Republicans secured a majority in the house of representatives. The senate was left with the balance of power in the hands of one independent, David Davis of Illinois, who ordinarily voted with the Republicans, and one Readjuster, William Mahone of Virginia, who represented his state because of local conditions. The most notable feature of the election was the falling off of the Greenback vote, scarcely one-third what it had been in 1878. Better times, the successful resumption policy, and above all, the pull of oldtime party affiliation accounted for this decline. Instead of 15 members of the house of representatives, as in the forty-sixth congress, the forty-seventh would have but ten Greenbackers.

GARFIELD, BLAINE AND CONKLING

The short session of the forty-sixth congress (1880–1881) was occupied largely with routine affairs. Republican interest was much greater in the incoming administration and in the distribution of patronage than in constructive legislation. Schism had not disappeared despite the fact that Stalwarts of one stripe or another had overwhelmed the independents. Conkling followers faced the friends of Blaine. The latter advised Garfield to bridge the chasm, and an interview took place where apparently affairs were so arranged that the Conkling faction was to be recognized in the apportionment of the spoils. Blaine had, however, advised against inviting Conkling to become a member of his cabinet, in which he had already accepted an invitation to be secretary of state.

In the make-up of Garfield's cabinet there was not much indication of a real reconciliation between the factions. By appointing Blaine, a close associate for years, to the department of state, the president appeared to throw down the gauntlet to Conkling. By giving New York no more important place than the post-office department, which was accepted by T. L. James who had made a creditable record as postmaster of New York City, Garfield further widened the breach. Another factor entered into the factiousness of Republican councils. Friends of Sherman believed that he should be reappointed to the treasury department, both as a recognition of his work under Hayes, and because, excepting Blaine, he was looked upon as the foremost man in the party. It was, therefore, a distinct shock when it was learned that the treasury had been offered to William Windom of Minnesota.[1]

Conkling, after the senate confirmed the cabinet appointments, tried to find out what arrangements were being made for New York in other ways. Two days afterwards his curiosity was relieved when Garfield sent to the senate the name of W. H. Robertson as collector of the Port of New York. This was the fattest plum within the federal patronage for New York, and had been the position held by Chester A. Arthur before he had been removed by Hayes. Robertson was not a political ally of Conkling and he had been, more than any other one person, responsible for the defeat of the nomination of Grant the previous June, since it was by his efforts that Conkling had been unable to command the votes of a united New York delegation. The nomination, then, was a direct challenge. Conkling immediately invoked senatorial courtesy, and with his associate, Thomas C. Platt, fought to defeat the nomination. The senate had an equal number of Republicans and Democrats; for three weeks it had been attempting to organize, but had postponed the matter to act upon the president's recommendations. An attempt to avoid the New York issue was made, but the president withdrew all nominations but the offending ones. Thereupon, when it was evident that their colleagues were not inclined to go back to their constituencies without the expected appointments in their pockets and would therefore confirm Robertson's nomination, Conkling and Platt theatrically resigned, returned to New York, where the legislature was in session, sought re-election as a vindication of their course and a rebuke to the president. The New York legislature, however, after a long-drawn out fight succeeded in electing Warner Miller and Elbridge G. Lapham to replace Conkling and Platt.

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[1] R. T. Lincoln (son of Abraham Lincoln) became secretary of war, Wayne McVeagh, attorney-general, W. H. Hunt, secretary of the navy, S. J. Kirkwood, secretary of the interior.

While the senatorial controversy over organization and the New York appointments was on Garfield was besieged day and night by a horde of hungry office-seekers. The president was thoroughly disgusted with the situation: "My God!" said he to a friend, "what is there in this place that a man should ever want to get into it?" In spite of his announcement that there would be no removals except for cause, the flood of petitions continued, and there were more changes in the few months of Garfield's tenure than in the whole first year of Hayes' administration. While all of these things were in progress some of the mud of the campaign was stirred. Among the disclosures came the "Star Route" affair. An investigation showed that under second assistant Postmaster-General Thomas J. Brady, with the assistance and connivance of Senator Stephen W. Dorsey of Arkansas, there had grown up the practice of making fraudulent contracts, and of paying exorbitant sums for a minimum of service. The cost of 134 routes had risen from $143,169 to $622,-

808, the excess going to Brady, Dorsey and their associates. To head off the investigation Brady had threatened Garfield with the publication of a letter to Hubbell, in which Garfield had expressed his interest in the use which was being made of federal office holders for the advancement of the Republican cause, but Garfield had refused to stop the inquiry.

Death of Garfield

On July 2 Garfield, as he was about to start for Williamstown to attend Commencement at his alma mater, was shot in the Pennsylvania station in Washington by C. J. Guiteau. Guiteau had sought and been refused a federal office; his explanation of his deed, however, had little or nothing to do with that fact. He maintained that the dissension in the Republican party was largely due to Garfield, that this would result in the return of the Democrats to power, and a renewed southern domination of national politics. "I am a Stalwart," he had said, "Arthur is now president of the United States." Garfield had a sturdy constitution and for a considerable time hopes of his recovery were entertained, but despite every effort and care he died on September 19th.

After the death of Garfield, Vice-President Arthur took the oath of office. It cannot be said that any high hopes of a capable and honest administration were entertained by those who desired to see cleaner politics. Particularly did the friends of civil service reform despair. The Old Guard was jubilant. Both factions were disappointed. Arthur failed to remove Robertson from the New York Customs House, and he refused to make other removals in order to replace Garfield appointees by faithful Stalwarts of the Conkling school. In his first annual message of December, 1881, the President discussed the whole civil service situation, and put himself on record as being in favor of legislation to eliminate abuses. Other recommendations equally reflected a broad and nonpartisan attitude on existing issues; he favored a repeal of the Silver Act of 1878, revision of the tariff and a reduction of the excise, more attention to the navy, the establishment of postal savings banks, and a more satisfactory policy with the Indians.

The Civil Service Act

In view of the long discussion of the civil service, accentuated as it had been by the popular association with Garfield's assassination, that topic received a prominent place in the discussions of congress in 1881–82. A bill was introduced in the senate by George F. Pendleton of Ohio, but, aside from extended debate, nothing was done about it. In his next annual message Arthur renewed his recommendation, but the situation now presented some new characteristics. The congressional elections in November had produced that overturn of majority which has been so characteristic of interim congresses since the Civil War. The senate would remain Republican, but in the house there would be but 119 Republicans to 210 Democrats, 4 Independents, and one Greenbacker. The majority of the Republicans had not been overanxious to close the door to the spoils system; now the Democratic minority was unwilling to pass any ordinance which would bind them to leave Republicans in office if they won the election of 1884. But the reasons which caused the Democrats to hesitate influenced the senate Republicans to pass the bill by a vote of 38 to 5. The house wasted little time in debating the senate bill but, on January 4, 1883, passed it without amendment, 155 to 47. The act provided for the appointment of a commission of three members, all of whom should not be of the same party, to frame rules governing the selection of federal employees in such classes of service as the president should designate. The whole working of the law depended upon the president; he might order placed in the merit or "classified" service, all, many, few or none of the positions within his appointing power. Fortunately the act began to operate under a man who, despite his previous attitude, was sympathetic with its purpose. Some 12,000 places were classified by Arthur and no president has left office without leaving a larger list than he found upon entering the White House. There has been, it is true, especially when a change of administration has also meant a change of party, a tendency for the outgoing executive to place under the commission a considerable number of places theretofore unclassified, and the incoming president has usually promptly removed these from the merit list. Politics have entered into the acts of both.

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CHAPTER VI

THE TARIFF AND POLITICS

The Democratic stand on a "tariff for revenue only" in 1880 had proved a Godsend for the Republicans in the campaign. That and the attempt to secure a tariff commission helped to concentrate attention on a real issue. When congress met in December, 1881, President Arthur pointed out another aspect of the situation. The revenue of the United States was in excess of expenditures and unless taxes were lowered there would be a constantly increasing surplus in the treasury. To remedy this condition he advocated the removal of all the remaining internal taxes, except those upon tobacco and alcoholic beverages, and a modification of the tariff. "If," his message stated, "a careful revision cannot be made at this session, a commission such as was lately approved by the senate and is now recommended by the secretary of the treasury would doubtless lighten the labors of congress whenever this subject shall be brought to its consideration." Both houses now agreed to provide for such a commission although there was some opposition, largely from Democrats of whom thirty in the house voted against the bill. This transcending of party lines pointed the truth of General Hancock's much ridiculed remark about the tariff's being a local question.

THE MONGREL TARIFF

No general enthusiasm greeted the president's choice of tariff commissioners. Those interested in tariff reform called it a "packed body," while high protectionists believed men of greater prominence should have been selected. But when a report was made to congress in the winter of 1882–3, people concluded that perhaps the president had not made such unfortunate selections after all. The commission had early in its deliberations reached the conclusion that "a substantial reduction of tariff duties" was demanded both by popular clamor and the "best conservative opinion of the country." Excessive rates in the long run were detrimental, since they encouraged rash investments in speculative ventures which were bound to end in disaster. "Entertaining these views," the report continued, "the Commission has sought to present a scheme of tariff duties in which substantial reduction should be the distinguishing feature. The average reduction in rates, including that from the enlargement of the free list, . . . at which the commission has aimed is not less on the average than 20 percent, and it is the opinion of the commission that the reduction will reach 25 percent. The reduction, slight in some cases, in others not attempted, is in many cases from 40 to 50 percent."

Congress was not willing to accept the bill which accompanied the report. Some men believed that it would be shirking their constitutional duty to shift responsibility to the commission. More opposed any drastic cut in schedules. Some recognized the essential worth of the plan and believed that such a tariff would no longer be a political football. "The tariff commission report," said John Sherman, ". . . was an admirable and harmonious plan for a complete law fixing the rates of duty on all kinds of important merchandise, and, what was better, an admirable revision of the laws for the collection of duties and for the trial of customs cases. If the [finance] committee [of the senate] had adopted this report, and even had reduced the rates of duty proposed by the commission, but preserved the harmony and symmetry of the plan, we would have a better tariff law than has existed in this country."[1] Each house worked out and passed its own bill. While the Republicans controlled the house and had a number equal to the Democrats in the senate, the forty-eighth congress would present a new alignment. Hence if they failed to pass some sort of act in this short session, it might mean that the Democrats in the next congress would secure even lower duties, although such a contingency was remote because the Republicans would have three more seats in the senate. A conference committee, to which both bills were sent despite the opposition of Democrats in the house, settled the issue by a system of give and take. The result was a bill accepted by both houses, although nobody was satisfied. It added some articles to the free list and made a few reductions, notably in the case of wool. "The mongrel bill of 1883," as it has been called, perpetuated not only the unjustifiably high duties on certain commodities but preserved the incongruities which had received the special disapprobation of the commission. Most Democrats voted against the measure but some supported it because it contained duties pleasing to their constituents. On the other hand, such a strong protectionist as William McKinley of Ohio refused to sign the conference report and voted against the bill because he considered the duty on wool too low. The metals schedule had displeased Senator Mahone, the Readjuster boss of Virginia, and his refusal to sign the conference report unless the duty on iron ore was raised from 50 to 75 cents a ton forced the other members of the committee to yield.

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[1] *Recollections*, II, 854.

In the forth-eighth congress the Democratic house and the Republican senate both framed new tariff bills primarily to use in the coming presidential election. The Democratic chairman of the house committee on ways and means, William R. Morrison of Illinois, soon realized how little party designations counted when party principles collided with economic demand, for not only did he have difficulty in getting permission to bring his bill up for consideration, but forty Democrats voted with the Republicans to strike out its enacting clause. The leader of the Democratic minority was Samuel J. Randall of Pennsylvania, a state always in favor of protection irrespective of party. After congress adjourned Randall led a "protection crusade" in the South to win adherents to protection in that realm of undisputed Democratic rule.

THE CHILEAN QUESTION

Foreign as well as domestic issues grew out of changing economic conditions. When Blaine became secretary of state in 1881 Chile and Peru were engaged in a war which resulted in the complete defeat of the latter. The former insisted on a complete surrender by Peru of a region rich in nitrates. The American Minister in Peru overzealously supported that country's contention that such a surrender could not be made, while General

Kilpatrick as warmly upheld Chile's demand. Blaine's sympathies lay with Peru, for he feared that British financial interests were behind the Chilean demands, because nitrates had begun to play an important part in international politics. Accordingly he sent a special envoy to investigate and report on the situation. This agent, William H. Trescott, visited both countries and reported that the Chilean demands were excessive, but Chile was obdurate. But Arthur and his secretary of state, F. T. Frelinghuysen, repudiated Blaine's policy, consequently, when peace came between Chile, Peru, and Bolivia, which was also involved in the whole matter, a part of the disputed territory passed to the victor while the remainder, with its status still unsettled, was to be administered by Chile. Political opponents of Blaine said that his interest in the controversy arose from his desire "to put the guano beds of Peru into his own pocket." So often was the charge repeated that the House Committee on Foreign Affairs investigated the whole matter and came to the conclusion that "there has not been the slightest intimation or even hinted suspicion that any officer of the Department of State has at any time had any personal or pecuniary interest, real or contingent, attained or sought," in the affair.

Chinese Exclusion

Far more important was another issue which culminated under Arthur. In 1868 Anson Burlingame negotiated a treaty which opened for Americans a wider commercial field in China, and afforded reciprocal privileges of travel, visit and residence. Already many Chinese were in the Pacific coast states, attracted first by gold discoveries. After the mining boom was over they remained to enter various lines of work, for labor was scarce and the willing Celestial was an economic asset. Still more came to help build the Central Pacific Railroad. When that work was finished in 1869 not only were the Chinamen thrown back on other employment but other laborers began pouring in from the East. Then came a struggle for jobs and Chinese underbid whites in almost any unskilled labor and even in other lines. With the panic of 1873 there was a renewed rush to the coast because there, on account of a new mining boom and abundant harvests, times were good and money plentiful. Such exceptional conditions did not last, and in 1876 came a reversal; crops were poor and mines began to shut down both on account of the drop in the price of silver and because an unprecedented drought dried the streams used in hydraulic mining. Unemployment seized California and the other coast states in a deadening grasp. Now the Chinaman, against whom there had been grumbling in previous years, became an object of vituperation. His ability to live on a wage which meant starvation to the white man, his ability and willingness to work long hours at any kind of a job—these were held up as vices which deprived good Americans of the few jobs attainable.

Dennis Kearney, a native of County Cork who had left a seafaring life to settle in San Francisco as a drayman, became the spokesman of the discontent. Kearney was a man well endowed with qualities of leadership, and on the "sand lots" near the City Hall he addressed the workless men who eagerly listened to his advice to "wrest the government from the hands of the rich and place it in those of the poor." In September, 1877, it was principally due to his influence that the Workingman's Trade and Labor Union of San Francisco was organized, and some three weeks later out of this grew the Workingman's party of California with Kearney as its president. The party would "exhaust all peaceable means of attaining its ends, but it will not be denied justice, when it has the power to enforce it. It will encourage no riot or outrage, but it will not volunteer to repress or put down or arrest or prosecute the hungry and impatient, who manifest their hatred of the Chinamen by a crusade against 'John,' or those who employ him. Let those who raise the storm by their selfishness, suppress it themselves. If they dare raise the devil, let them meet him face to face. We will not help them." There was some violence but by the beginning of 1878 the more active phases of the demonstration were past. Politically, however, the Workingman's party showed its strength when, joining forces with the Grangers, it elected a mayor of San Francisco and secured a majority in the constitutional convention which had been called for September. The new constitution not only tried to pave the way for drastic legislation against Chinese, but attempted to make it possible to curb corporations, check lobbying and restrict the railroads. A reorganization of the courts was calculated to prevent delays and miscarriage of justice. But the restrictions proved futile. Anti-Chinese legislation, based on the new constitution, encountered adverse court decisions and one after another state laws and local ordinances were nullified.

When Chinese strikebreakers were used in eastern mills, as happened in one or two cases, the issue became less local, and congress took up the matter. In 1879 a bill restricting Chinese immigration was vetoed by President Hayes who pointed out its conflict with the terms of the Burlingame treaty. Thereupon congress directed the president to secure a modified convention. A commission of three was sent to China and obtained a new pact by which the United States could "regulate, limit or suspend but not absolutely prohibit" the immigration of Chinese laborers. Congress then prohibited such immigration for a period of twenty years. President Arthur, on April 4, 1882, vetoed this bill because, in his opinion, it was not in harmony with the spirit of the new treaty. Thereupon congress passed another measure which became law on May 6, 1882. By this immigration of skilled and unskilled Chinese laborers was suspended for ten years; laborers already in the country could, when leaving, obtain permits to re-enter. Administration of the act proved difficult. Permits changed hands and new coolies were constantly coming in not only in place of those who were entitled to enter but over the Mexican border and even from Canada. Consequently in 1884 the Gary Act put teeth in the original law. Subsequently enactments tightened the law, and when the ten-year term expired in 1892 exclusion was provided for another ten years, and has been renewed from time to time since. Whatever may have been the motives which first prompted Chinese exclusion, the consensus of opinion came to be that it was better not to encourage another race problem; one existed in the South, and that was far from solution.

President Arthur's administration saw two acts dealing with the postal service. Since postal revenues exceeded expenditures, one bill fixed the letter rate at two cents a half ounce instead of three as it had been since 1851, and on March 3, 1885, an amendment raised the maximum weight to one ounce. Second-class rates were also lowered so that newspapers, for instance, were carried for a cent a pound. Unlike the first-class rates this charge did not meet the cost of carriage, yet congress was willing to make appropriations to meet deficiencies on the ground that money expended for the dissemination of knowledge was well spent.

Disposing of the Surplus

Disposal of other surplus in the treasury was not so easily effected. The income of the federal government continued to run beyond the expenditures, and congress either had to reduce revenues or spend more money. The former threatened the tariff and was opposed strenuously. Spending more money, however, was comparatively easy and two vast drains had been constructed to carry off the extra dollars—although even these proved inadequate for the flood that was constantly pouring in from the customshouses. One outlet was through soldiers' pensions. In 1878 the total pension appropriation was under 27 millions, the smallest amount in four years. In 1879 a retroactive Arrears of Pensions law provided a cumulative pension for soldiers and soldiers' widows where there had been no previous claim; in some instances several thousand dollars were paid in a lump sum to the beneficiary. Through this act, the regular pensions, and private bills, for those not qualified to obtain government bounty under general law, congress succeeded in sending annual pension appropriations to some 65 millions by 1885. Private pension bills constituted the greatest fraud, for, with log-rolling tactics, it was a barefaced steal indeed which could not be perpetrated. It was not during President Arthur's administration, however, that the most gigantic raid upon the treasury was made. In 1887 a Democratic house and a Republican senate by overwhelming majorities enacted the so-called "Pauper Pension" by which disabled veterans and widows of veterans in reduced circumstances were granted aid no matter what might have been the cause of the poverty. "Pension attorneys" were primarily responsible both for the act and the way it was administered. These lawyers, whose work was drumming up claims, battened on fees received for bringing to the attention of some soldier or soldier's relative the fact that he was entitled to dip into the public trough.

The "pork barrel," or Rivers and Harbors and buildings appropriations, did its share in trying to reduce the surplus. Strict construction of the constitution had fallen into disrepute, so, with an overflowing treasury and with hungry congressmen anxious to have federal money spent in their districts, it was easy to secure appropriations for the improvement of rivers and harbors irrespective of the utility or wisdom of the work. President Arthur, on the first day of August, 1882, vetoed the Rivers and Harbors bill, although this measure contained appropriations for many projects which he approved and which would have been of public benefit. "My principal objection to the bill," he informed congress, "is that it contains appropriations for purposes not for the common defense or general welfare, and which do not promote commerce among the states. . . . Appropriations of this nature, to be devoted purely to local objects, tend to an increase in number and in amount. As the citizens of one state find that money, to raise which they in common with the whole country are taxed, is to be expended for local improvements in another State, they demand similar benefits for themselves, and it is not unnatural that they should seek to indemnify themselves for such use of the public funds by securing appropriations for similar improvements in their own neighborhood. Thus as the bill becomes more objectionable it secures more support." But this reasoning made no appeal to congressmen who wanted to keep political fences tight. They passed the bill over the veto with little difficulty, despite the fact that the president's views had the support of people all over the country. Temporarily, at least, the congressmen who cast their votes to override the veto were subjected to discipline by their constituents. Senator Hoar of Massachusetts believed that this, more than anything else, caused the Republicans to lose control of the house in the next congress. But the public soon forgets, and liberal expenditures to dredge some creek or other appeal to the voter when the man who can say, "See the appropriations I obtained for our district," asks for re-election. So the pork barrel continued to be used by one party as much as the other.

At the Eve of the 1884 Campaign

The administration of President Arthur had proved a surprise to all who believed that the evils of Grant's administration would be renewed. He was a president eminently satisfactory to business interests, and, on the surface, nothing would have been more natural than his renomination and election in 1884. But from the latter part of 1881 there were many things working against him. Poor crops and numerous failures had not, it is true, reproduced the situation of 1873, but economic life was retarded and there seemed to be a chronic languor in business. Beginning in 1879 there were boom times, but much of the confidence was ill-founded, and the death of Garfield produced a reaction which was accentuated by a partial failure of grain crops in 1881. The failure of the Marine Bank in May, 1884, brought down the firm of Grant & Ward of which the general and his son were members. Unknown to General Grant this concern had used his name for promotion purposes, since it was currently believed that the ex-president would be influential in securing remunerative government contracts. Grant was reduced to straightened circumstances; he had to hypothecate to W. H. Vanderbilt his trophies, medals and other property to secure a loan to bolster up the wavering fortunes of the Marine Bank. The failure of the two organizations started a panic which principally affected Wall Street and other financial centers, but did not produce the paralysis which followed the failure of Jay Cooke in 1873.

Unsettled business conditions reacted upon the political situation decisively though obscurely. Had Arthur stood a chance of securing the nomination the Wall Street panic would undoubtedly have turned the scales against him, but even without it his prospects were dim, and, indeed, he was not willing to enter the fight. His health was poor, and to those who suggested that he had a chance to defeat Blaine he said that while he would welcome the honor he would make no personal contest for it. There were other factors working against the president; his association with Conkling in New York, his part in the Conkling-Garfield-Blaine controversy, the fact that Garfield's death had been caused by a man who openly stated that he wished to make Arthur president, the reaction of the Ohio people who could not forget that Arthur had been the beneficiary of their favored son's sad end, and his insecure hold upon the Republican organization in his own state—all these made him distasteful to political leaders and undesired by the mass of Republicans.

There were no clear cut differences between the two major parties, and lacking principles on which to make a campaign it behooved the Republican organization to avoid saddling themselves with personal issues, especially when it was almost a foregone conclusion that the Democrats would nominate Grover Cleveland of New York. Obscuring of party lines was evidenced by an increase of independent voters. The influence of the war and reconstruction was weakening; steamroller tactics had disgusted many decent citizens with "machine" and boss domination. In Pennsylvania in 1882 a Republican candidate for governor had been defeated not on account of his personal characteristics but because of a desire to rebuke the machine. Grover Cleveland had carried New York by an unprecedented majority against a man upon whom there was no stigma except that he had been selected by a Republican clique. Something of the revolt against machine domination had been shown in an attempt in the Republican national committee in 1883 to reduce the power of small groups of voters who were represented in the national convention by as many delegates as states where Republicans had a majority. For instance in the southern states there were few Republicans, yet Georgia had more delegates than Wisconsin. The time, however, was not ripe for this eminently desirable reform. Nevertheless some needed changes were made; a definite time was fixed for the selection of delegates, and congressional districts might choose their two delegates by district conventions or by subdivisions of the state convention. These and other reforms were intended to give some representation to minority factions.

The Conventions of 1884

The Anti-Monopoly party in 1884 was first on the field with its platform and candidates. Holding a convention in Chicago in May it emphasized the necessity of national action to curb monopolies, demanded an interstate commerce law, tax reform, including a graduated income tax, no more land grants to corporations, and greater attention to "the greatest of American industries—agriculture," which, the platform maintained, was discriminated against by existing laws. Labor demands held a prominent place in the platform. Benjamin F. Butler of Massachusetts was selected as presidential nominee. Two weeks later at Indianapolis the National or Greenback-Labor party stuck to its 1880 platform in all essentials and then proceeded to nominate General Butler. Its vice-presidential candidate was General Alanson M. West of Mississippi who was endorsed by the national committee of the Anti-Monopoly party. General Weaver, as permanent chairman of the Greenback convention and most prominent man of his party, was not a candidate for nomination. He believed that his organization must co-operate with discontented Democrats and Republicans and other "come-outers" to secure desired reforms, and he had worked for this since his defeat in 1880.

The Republicans next made ready for the real campaign. In addition to President Arthur and Blaine, General John A. Logan with the backing of Illinois Republicans and a considerable old-soldier support outside his own state, Senator John Sherman with Ohio solidly behind him, and Senator George F. Edmunds of Vermont favored by civil service reformers, were aspirants for nomination. Neither had the backing which Blaine enjoyed; his own state, Maine, believed in him, and all over the union outside of New England where, except in Maine, he aroused little enthusiasm, he basked in a popularity equalled only by that which made Clay the best loved man in his day. President Arthur alone could hope to rival Blaine in the convention, but, as already pointed out, there were numerous factors militating against him; if there were few active enemies in the party there was a lukewarmness which was fatal, and Blaine's dictum that he did not "intend that the man in the White House [should] have it" meant much.

The Republican convention met in Chicago on the third of June. The committee on rules introduced and secured the passage of a rule which debarred federal office-holders from the national committee. The platform was the usual thing. Most of the planks were either general pronouncements or local appeals, but on the tariff, with the legislation of 1883 as a text, there was a specific statement "that the imposition of duties on foreign imports shall be made, not for revenue only, but that, in raising the requisite revenues for the government, such duties shall be so levied as to afford security to our diversified industries, and protection to the rights and wages of the laborers, to the end that active and intelligent labor, as well as capital, may have its just reward, and the laboring man his full share in the national prosperity." The "so-called economical system" of the Democrats was denounced as likely to degrade "our labor to the foreign standard." Wool came in for a special plank. A cautious recommendation of legislation regulating railroads, some planks calculated to draw the labor vote, loyalty to the civil service act, opposition to further grants of land to corporations, especially foreign corporations, and a demand for the forfeiture of lands already granted where the grantee had not lived up to his contract, and "restoration of our navy to its old-time strength and efficiency," touched many of the questions before the public. On the money question there was too much divergence of opinion among delegates to secure anything more definite than a pronouncement in favor of "the best money known to the civilized world," whatever that might be, and a statement in favor of an international bimetallic conference.

When it came to selecting a presidential candidate it was clear from the first ballot that Blaine was leading. While there was no doubt that Blaine desired the nomination, prior to the convention he had been unwilling to get it "unless it be the unbought, unbiased will of the nominating power." He had, in his efforts to prevent a possible nomination of Arthur, approached General Sherman who had unequivocably rejected the suggestion that he should be a candidate. Blaine, however, had the satisfaction of learning that there was, apparently, an overwhelming demand for him, since on the fourth ballot he received 541 votes after which the nomination was made unanimous.

If Republican pre-convention straws had pointed strongly to Blaine the Democratic indications were even more clear. Grover Cleveland as a youth had gone to Buffalo, New York, had read law and was admitted to the bar. His public career opened when he had been elected county sheriff and later had been chosen mayor of his city where he made an excellent record which brought him state-wide notice and was instrumental in securing his nomination for the governorship. As governor he had continued to merit the approbation of the sane portion of the community. He defied Tammany Hall; he vetoed a popular bill to reduce fares on the elevated roads of New York City because he believed it unfair to the railways. He had a dogged pertinacity which would not let him yield even when yielding would have been no crime and when it might have smoothed his own path and advanced measures which he had at heart. He had none of the arts of a demagog; his speeches were commonplace and uninspired. But the very ruggedness of his disposition made an appeal to those who were not stirred by mere brilliancy. Cleveland's availability was more conspicuous because of the scarcity of presidential timber among Democrats. Bayard, Hendricks, Thurman, Randall, Joseph E. McDonald of Indiana, and Carlisle were either hopeless because of their previous records or because they had no particular prominence. In fact the only strong opposition to Cleveland in the convention came from the Tammany delegates who hated him. After adopting a platform the convention needed two ballots only to nominate Cleveland.

As the "outs" the Democrats could and did "point the finger of scorn" and denounce the Republican administration—in spite of the fact that at the time the Democrats controlled the house of representatives. Their platform was vague and capable of different interpretations. That there might be no concealed dynamite as in the 1880 platform, the tariff plank was non-committal: "Knowing full well that legislation affecting the occupations of the people should be cautious and conservative in method, not in advance of public opinion, but responsive to its demands, the Democratic party is pledged to revise the tariff in a spirit of fairness to all interests. But, in making reduction in taxes, it is not proposed to injure any domestic industries, but rather to promote their healthy growth." Equally equivocal was the pronouncement on the currency: "We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss." "An equitable distribution of property, to the prevention of monopoly, and to the strict enforcement of individual rights against corporate abuses" was the pious wish which came as near a statement on the "trust" issue as the platform ventured to go.

The Mugwump Campaign

After the nomination of Blaine charges which had their origin in 1876 and preceding years were brought out and utilized to their fullest extent. Opposition began to crystallize, and in various parts of the country meetings were held, committees organized, and literature prepared for the purpose of obtaining from Republicans pledges not to vote for the party's candidate. The name "Mugwump" applied in derision was adopted by the bolters, and the Mugwump campaign it has been called ever since. When Cleveland was nominated most Mugwumps were content to support him. Such men as Lawrence Godkin, editor of the *Nation*, Carl Schurz, George William Curtis, and Morefield Storey, all of whom had been life-long Republicans, went to work to secure the election of Cleveland and the defeat of Blaine. At a National Conference of Republicans and Independents held in New York Curtis had declared that "the paramount issue of the Presidential election this year is moral rather than political." Those who subscribed to the sentiment of a "moral" campaign were thrown into consternation with the publication of some stories relating to Cleveland's early years. Curtis woefully confided to a friend, "We have begun by saying that the issue of the present campaign is moral, not political, and here we are confronted with this scandal. How can we possibly continue our support of Mr. Cleveland?" But Mr. Curtis, like many others, solved the problem for himself when he remarked later, "Well, from what I hear I gather that Mr. Cleveland has shown high character and great capacity in public office but that in private life his conduct has been open to question, while, on the other hand, Mr. Blaine in public life has been weak and dishonest while he seems to have been an admirable husband and father. The conclusion that I draw from these facts is that we should elect Mr. Cleveland to the public office which he is so admirably qualified to fill and remand Mr. Blaine to the private life which he is so eminently fitted to adorn."

Nevertheless, the scandal about Cleveland's youthful indiscretions had influence with many who felt that, no matter what sort of a public servant he had been and probably would continue to be, it would be the height of impropriety to elect him. The campaign, then, became one of mudslinging and scurrility, with an occasional reference to national issues. In the West, particularly in Ohio with its large electoral vote, local Republican leaders began to be alarmed; Cleveland apparently was luring many from the fold. They urged Blaine to take a trip across the Alleghenies and save the day with his eloquence. Reluctantly he complied and went to pit his strength against Schurz who was working for Cleveland in the same state he had stumped for Hayes in 1875 and 1876. Blaine addressed audiences not only in Ohio but in Michigan, Illinois and Indiana and without doubt succeeded in saving a considerable number of votes.

The campaign was nip and tuck until Blaine's return to New York late in October. There, tired from his exhausting trip, he received a visiting delegation of clergymen at the Fifth Avenue Hotel and listened to a complimentary speech in the course of which the spokesman said, "We are Republicans, and don't propose to leave our party and identify ourselves with the party whose antecedents have been *rum*, *Romanism* and *rebellion*." Blaine probably did not hear the Reverend Mr. Burchard's words or else misunderstood them, for he was too astute a politician to leave unrebuked a sentiment which would alienate many people, particularly among the Irish whose vote signified so much in eastern cities. Too late came the effort to counteract the influence of these words which the Democrats were not slow to seize upon and play up for all they were worth.

When the election returns were in Cleveland had 219 electoral votes while Blaine had 182. The plurality of Cleveland's popular vote, however, was only 23,005 out of a total of about ten million. In New York Cleveland's plurality was 1,149, yet this gave him 36 electoral votes; it is quite possible that Mr. Burchard's remarks turned more than enough votes to defeat Blaine there. Connecticut, Indiana, New Jersey, each by a close margin, and the solid South gave the election to the Democrats. General

Butler polled only 175,370 votes; how many represented the expiring struggles of the Greenbackers it is difficult if not impossible to determine. The Prohibition party, running John P. St. John of Kansas and William Daniel of Maryland had about 150,000 votes.[1] The congressional results followed the presidential election, for the forty-ninth congress (1885-1887) was to have 184 Democrats, 139 Republicans and 2 Greenback-Labor members in the lower house, although the Republicans retained their majority (41 to 35) in the senate.

The Cleveland Administration

As it had been twenty-four years since the Democrats had the presidency, it was an occasion of more than ordinary significance to millions of Americans when Grover Cleveland faced the greatest crowd ever assembled in Washington to witness an inauguration. It was more than an inauguration; it was to many a vindication as well as a witness to the fact that the Civil War was ended. It was, as one commentator put it, for the moment "the apotheosis of the Democracy."

The months between the November elections and the inauguration of Cleveland were marked by no unusual events either political or economic. Business remained passive. In part this resulted from plain politics, but still more it was due to natural difficulties in getting the ponderous economic machine under weigh. There would be no upsetting the monetary situation for Cleveland believed in sound money. Nor was there likely to be any radical change in other ways, for Cleveland was conservative. Men trusted him when he said that his would be an "administration that [should] at least assure every element that a transfer of executive control from one party to another [did] not mean any serious disturbance of existing conditions." Moreover, the Democrats would control only the house.

The new cabinet gave general satisfaction. Thomas F. Bayard of Delaware, a man who had been for sixteen years in the United

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[1] There had been another prohibition organization which held a convention, or rather a mass meeting, under the name of the American Prohibition or National Convention which also nominated candidates but there seems to have been no electoral ticket in any state. An American party went through the formalities of nominating candidates but no returns were reported.

States senate, was made secretary of state; Daniel Manning of New York, a close friend and political associate of Tilden, became head of the treasury; William C. Endicott of Massachusetts was, as secretary of war, a representative of the independent faction of his state as well as a type of the old New England stock long influential in public affairs. William F. Vilas of Wisconsin in the post office department brought in the West. The secretary of the navy was William C. Whitney whose appointment was not pleasing to the Independents of that state because Whitney had been too closely associated with machine politics; moreover, outside the state there was criticism because he made a second cabinet member from New York. He had, however, conducted the Cleveland campaign in his state in a way that showed him a master of practical politics. The South was not forgotten since Lucius Q. C. Lamar, a Mississippi senator, went to the interior department and A. H. Garland of Arkansas, also a senator, was made attorney-general. The cabinet selections indicated that Cleveland intended neither to surround himself with Democratic war-horses nor to deliver over the administration of the departments to ex-Confederates. It was remarked that certainly since Lincoln's administration had there been no group so conspicuous and able, individually and collectively, as was Cleveland's cabinet. Of them all only Garland failed to maintain the reputation he had won. Whitney, on the contrary, proved capable of handling his job and, with Bayard and Endicott, gave a social tone to the administration which otherwise it might have lacked.

During the summer were incidents the handling of which enhanced the good opinion of the president. In Panama came a miniature revolution which threatened to tie up the Panama railroad, a very vital link in an economic life which was much broader than Central America. The seizure of an American steamship and the arrest of the American consul at Aspinwall (Colon) caused Cleveland to order five warships to the isthmus and marines were landed to establish order in the town and rescue the foreigners who had been cast into jail. Thereupon the revolution broke down and normal conditions were restored. A similar lesson taught Ecuador that it was unwise to incarcerate an American citizen and defy the United States government when an attempt was made to have him released or his case brought to trial. In domestic affairs the president exhibited the same commendable promptness. The Edmunds Anti-Polygamy law, which was passed in 1882 to stop plural marriages sanctioned by the Mormon church in Utah, had been honored more in the breach than in the observance. Acts of defiance toward the federal government, particularly in Salt Lake City, and threats to expel all "Gentiles" brought from Fort Douglas artillery and infantry to put an end to the demonstration and to uphold the courts.

The Civil Service

One of the most delicate situations with which the president was faced was the civil service. When Arthur had left office 15,573 positions were classified; there was no apprehension about these, but there were thousands of other offices held by Republicans and yearned for by many times that number of hungry Democrats. But Cleveland, soon after his election, had stated that he would enforce the Pendleton act "in good faith and without evasion." Both in his letter of acceptance and in his inaugural address, he had announced that except for inefficiency or for offensive partisanship he would make no removals until the expiration of appointed terms even of district attorneys, marshals and the like.[1] Democratic members of congress and even Vice-president Hendricks soon learned that the president meant what he said, and hard was the path of ardent congressmen unable to impress the president with the necessity of securing appointments to keep fences in repair. Cleveland, like his successor, General Harrison, was unable to send away a disappointed office seeker in good humor. The daily siege of aspirants and their friends, moreover, was not calculated to soften his brusqueness, and many congressmen harbored grievances which they remembered when their votes were needed for measures favored by the president.

Generally the president gave the civil service reformers nothing to complain of, but with best intentions bad appointments could not be entirely escaped, and some particularly offensive ones occurred in the treasury department. But in the post office department came many changes. Before congress met in

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[1] These offices were of four years' duration under the Tenure of Office Act of 1820.

December 524 out of 2,300 "presidential" postmasters had been changed and of the nearly 50,000 fourth-class offices over 6,300 received new incumbents. All this brought down upon Cleveland criticism which he resented as unfair. A break came between Cleveland and Carl Schurz, who was numbered by the president among those who "discredit every effort not in exact accord with their attenuated ideas, decry with carping criticism the labor of those actually in the field of reform, and, ignoring the conditions which bound and qualify every struggle for a radical improvement in the affairs of government, demand complete and immediate perfection." At the close of his administration nearly 12,000 new positions had been classified, and, all told, much had been gained for reform.

The amelioration of the civil service, important as it was, had in the middle eighties sunk into insignificance beside the economic problems which pressed upon the administration. A new age in which old formulæ were impotent was upon the country, although there was no full understanding of what it signified. Economic questions relating to the monetary system, to big business whether in transportation or production, labor issues and agrarian discontent, all presented problems which involved not only governmental action but readjustment of popular ideas.

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CHAPTER VII

THE COMING OF BIG BUSINESS

Transportation problems first began to impress people with the fact that economic factors were changing. Realization that a railroad differed from most other enterprises was slowly shaping. Its successful operation depended on collaboration of owners, operators, and the public. This was true of the mill and the farm, but one of these might suspend its functions with slight inconvenience to the public, while the railroad so affected the well-being of thousands that conditions and cost of service could promote or retard the prosperity of a large region. This had been understood in part and had given rise to sporadic protests like the Anti-Monopoly movement and to more widespread demonstrations like the Granger outburst. So little was actually accomplished, however, that people reached the conclusion that railroads were *sui generis*—they did not and could not stand on the same footing with most other enterprises.

Railroad Combinations

Almost from the beginning there had been a tendency to combine railroads. Prior to 1861 consolidations had taken place, but after the war the process went on so rapidly that by the close of the seventies the beginnings of later "systems" were clearly observable. Very little opposition to combinations was manifested at first, for unity of management added to the usefulness of the lines. By purchase, lease, control of stock, or by less formal but equally potent arrangements there developed trunk lines like the New York Central, the Pennsylvania, the Baltimore and Ohio or the Erie, each of which connected the Atlantic seaboard with some part of the Mississippi Valley or the lake region. Out of one or two little local lines grew "Granger" roads like the Chicago, Milwaukee & St. Paul connecting Lake Michigan and the Upper Mississippi.

Between competing lines, especially in the seventies, there was fierce warfare alternating with temporary truces. This competition benefited the public somewhat since rates were generally lowered, although inconvenience arose from capricious changes. On the other hand, cutthroat competition played havoc with dividends, although the loss occasioned by it was usually slight when compared with that resulting from reckless financial methods. Abortive efforts to stabilize traffic and limit competition led to pooling agreements as in the case of the roads connecting Chicago and Omaha. This Western Traffic Association, affecting the Rock Island, the Burlington and the Northwestern roads, was a typical pool. By it each road, after retaining 45 percent of its through freight receipts, turned the rest into a common fund to be divided *pro rata.* Other provisions of the agreement related to interchange of rolling stock, to the issue of through tickets, and to other details which stabilized the situation so that the arrangement was maintained with slight interruption from 1870 to 1887 when, on account of the Interstate Commerce Act, pooling was nominally dropped. Other traffic associations, in which the pooling feature was prominent, were formed in various parts of the country and eventually between the trunk roads.

Pools, advantageous as they were in many ways, gave rise to abuses, and complaints were made that rates were raised to a point which mulcted the shipper of much or all of his profit. But pooling was not the only thing objected to. Shippers complained that special privileges in the form of rates lower than those of the ordinary schedule or in rebates were accorded favored patrons. One town or city was discriminated against for the benefit of another. Railroads sometimes charged more for a short haul than for a longer one over the same route. Delay in furnishing cars placed a shipper in an embarrassing position. Exorbitant charges were made for services, such as watering and feeding cattle, or for icing when refrigerator cars came into common use. Carrying freight over a roundabout route and charging accordingly was not an infrequent occurrence. It was claimed, and in some of the subsequent investigations proved, that certain shippers of large and relatively steady quantities of freight were given particularly low rates in return for the use of their commodities as "eveners" by some traffic associations. Such concerns as the Standard Oil Company allowed their commodities to be sent over one or another of nominally competing roads in order to "even up" the traffic and prevent a particular line from being overloaded while another, in the same association, was hauling light trains.

The complaints became more numerous as time went on, and it was apparent that, in addition to a desire to "charge all the traffic would bear," wasteful management, careless and in some instances criminal methods of financing were responsible for inflicting heavy burdens upon the public in order to make a good showing in an annual report and to pay dividends. In more than one case a railroad fell under the control of a group of unprincipled manipulators who bled it consistently at the expense of stockholders and patrons. The Erie was a conspicuous example of such manipulation. In 1875 this road went into the hands of receivers. For fifteen years or more its financial management had been in the hands of Jay Gould, James Fisk and Daniel Drew, although Drew was finally frozen out. Originally capitalized in 1851 at $26,000,000, the Erie railroad had outstanding $60,000,000 worth of stock much of which was "water," or stock for which no money or other valuable thing had been paid. In April, 1878, it was reorganized as the New York, Lake Erie & Western R. R. Company and the court withdrew its control, but this football, this "Scarlet Woman of Wall Street," entered again upon the same course which had brought its original downfall, although many legitimate improvements and extensions were made. When the firm of Grant & Ward, which was the financial backer of the road, failed in 1884, the Erie was again in difficulties. The English bondholders then took a hand, insisted upon a change of management and kept it above water until the panic of 1893 drove it into a fourth receivership. The Erie was but an exaggerated illustration of prevailing financial methods.

Some roads, apparently prosperous, paid dividends when others were struggling to keep out of the courts. They piled up a mass of hidden obligations about which the stockholders, content with their returns, knew nothing. Such a road was the Baltimore & Ohio which, by its good service, wide extensions, and tendency to lower rates, had come to stand for solidarity in railroad affairs. But in 1887 its involved finances could no longer be concealed. A new board of directors started a new régime, but soon the old group was again in control and carried on with the old methods until 1896 when the road went to the courts for relief and Baltimore and Ohio stock fell with a thud.

Stock speculators made and lost fortunes by playing the market. New railroads were projected and in the eighties came a recurrence of the mania which marked the years from 1869 to 1873. Much of the activity was purely speculative although the growth of population and production warranted some new lines and extension of old ones. In 1877 there was one completed transcontinental road. In 1885 there were five. One of these, the Northern Pacific, was a land-grant road chartered by congress in 1864. By 1874, when it became bankrupt for the third time, its main line extended from Duluth to Bismarck, Dakota Territory. From 1874 to 1879, when a reorganization was effected, little building was done, but by the close of 1882 all but about one thousand miles of its transcontinental route was in operation. Henry Villard, a German-American with German capital behind him, fearing Northern Pacific competition with western roads in which he was interested, prevented the Northern Pacific from reaching Portland, Oregon, until it was combined in a new holding organization, the Oregon and Transcontinental Company. Then the way was open to complete the line which had been discussed even before 1850.

The Northern Pacific was soon paralleled by the Great Northern. In 1873 James J. Hill conceived the plan of getting control of the bankrupt St. Paul and Pacific Railroad which operated from St. Paul to Breckinridge on the Dakota border. There it tapped a Red River Valley trade of considerable proportions. With Donald Smith, the Hudson's Bay Company representative at Winnipeg, and Norman W. Kittson, who owned some Red River steamboats, Hill took up the matter, and convinced them, in 1876, that his ideas were sound. The next year they drew in George Stephen, a cousin of Smith and head of the Bank of Montreal. In 1878 the road was taken over for a small cash payment and made to pay. A year later the little group and their backers took full possession and from then on the St. Paul, Minneapolis and Manitoba, as the road was renamed, made steady progress. Hill came to the conclusion that another transcontinental road could be maintained; so by 1890 the road now called the Great Northern Railway was well on its way through Montana, and in 1893 reached Seattle and the Pacific. Near the Mexican border the Southern Pacific bridged the gap between Yuma and El Paso, Texas, in 1881; there it formed a connection with a new road to New Orleans, and made contact with the Santa Fe which was progressing slowly westward. The Santa Fe and the Denver & Rio Grande also completed their lines or made connections which carried them to the Pacific coast, while the Union Pacific obtained an outlet to the Pacific Northwest by means of the Oregon Short Line and the Oregon Railway and Navigation road.

In 1870 there were 52,914 miles of railroad in the United States; by 1880, 40,384 miles were added, and of this considerably more than half had been built before the panic of 1873. In 1890 there were 163,597 miles. Almost 70,000 miles, or over 57 percent of the total mileage of 1880, had been constructed in a decade, without taking into consideration double tracking, sidings, and the like. The "peak of production" was reached in 1887 when 12,983 miles were built. A large part of this construction was in the Pacific roads and their connections, but considerable building was done in the older communities where an appreciable part grew directly out of the speculative mania. Some roads were projected with the expectation that the public, educated to buy anything that had a railroad tag attached to it, would purchase stock, and the promoters would reap the profits and leave an enterprise in the hands of unlucky investors who either had to add further contributions or see the road go into the hands of receivers. Some roads were built ahead of immediate needs of the country, and others, like the Nickel Plate or the West Shore, were intended to parallel existing systems and force them to buy or run the risk of competition.

Old roads were rebuilt. Steel rails replaced iron after the Bessemer and open-hearth processes were introduced into this country. Iron and then steel went into bridges. Rolling stock was improved and made heavier. Before the Civil War most roads had only a single track, but new demands necessitated double and sometimes quadruple tracks of standard gauge instead of different gauges as before. Sleeping cars, refrigerator cars, stock cars, and tank cars became common. Air brakes, electric signalling and dispatching devices, and automatic couplings, as they were brought into use, increased both the safety and utility of railroads. Railroads were used for new services. For example, in 1876 carrying of live cattle began with a shipment of 244 head. By 1881 134,000 head were transported to packing houses. This modified the whole packing industry; it was possible to raise profitably cattle and hogs far from the cities which had come to be known as packing centers, and at the same time tended to centralize that industry.

Combination of competing as well as complementary lines accompanied building. The Union Pacific in 1869 extended from Omaha to Ogden where it met the Central Pacific. Feeders were added and in 1879 a working arrangement was made with the Oregon Steamship and Navigation company, which controlled some short lines in Oregon and Washington, reorganized as the Oregon Railway and Navigation company. In 1881 the Oregon Short Line, extending from Granger, Wyoming, to Huntington, Oregon, was acquired and opened. After Henry Villard secured a controlling interest in the O. R. & N. and linked that road with the Northern Pacific, the relation between the northwest lines and the Union Pacific became a real consolidation, so that the Union Pacific had two outlets to the coast, one by the Central Pacific at San Francisco and the other at Portland and, later, at Seattle. The consolidations of the eighties were followed in the nineties by bringing together the Union Pacific holdings with the combined Central Pacific and Southern Pacific under E. H. Harriman. The financial situation of the Union Pacific was strained to the utmost by the expansion down to 1893; it had not paid any interest on the loan originally obtained from the government, and its securities steadily fell until, when the panic of 1893 hit the country, it became bankrupt. The Southern Pacific, under Collis P. Huntington, had extended eastward and finally reached New Orleans; in 1884 its owners obtained a majority of the stock of the Central Pacific, having already absorbed the Oregon & California so that its influence dominated California, reached the Columbia River on the north and touched the Gulf of Mexico. Southern Pacific steamships ran between New York and New Orleans and Galveston, while the subsidiary Pacific Mail Steamship Company, operating along the coast as far south as the Isthmus of Panama and across the Pacific to Japan and China, gave unrivalled access to markets.

Expansion and consolidation were not confined to the West. As the name of Huntington is connected with the Southern Pacific so that of "Commodore" Cornelius Vanderbilt is associated with the New York Central and Hudson River Railroad. In 1869, when Vanderbilt had acquired a dominant interest in this line, it comprised some 850 miles including the original Central, extending from Albany to Buffalo, and the Hudson River Railroad which came to the outskirts of New York City. It reached Chicago by means of the Lake Shore and Michigan Southern as well as by the Michigan Central. Vanderbilt had already acquired nearly all the stock of the Harlem Railroad, the one thing necessary to open the way into New York City, and this was leased to the Central at a high valuation and with a guaranteed dividend of generous proportions. This combination was really the beginning of the Vanderbilt system. In the next fifteen years by purchase, lease, or acquisition of stock, the New York Central had secured complete control in the Lake Shore, the Michigan Central, each of which had numerous branches in Illinois and Michigan, and the Canadian Southern Railroad which connected Detroit with Toronto. In 1885 the New York, West Shore and Buffalo Railroad, begun as a rival by paralleling the Central along both the Hudson and Mohawk Rivers, was absorbed, while the Big Four (Cleveland, Cincinnatti Chicago & St. Louis) was controlled actually but not formally. The New York, Chicago & St. Louis (Nickel Plate) had been constructed as a competitor west from Buffalo, and this was brought into the fold. Less openly but no less effectually the New York Central controlled other lines like the Chicago and Northwestern which was a system in itself.

By the time the railroad craze was checked by the depression of the nineties the essential steps had been taken in building the eight or nine great systems which, in 1900, included over three-quarters of the total mileage of the country. After the panic of 1893 the stock juggler began to give way to practical railroad men. Cutthroat competition was modified and stability was gaining sway. Furthermore, with all the unquestioned evils which beset the process, it was clear that a certain unity of control had begun to adapt transportation systems somewhat more to economic needs.

Transportation Evils

Consolidation of railroads was a perfectly natural process, but such processes have little respect for individuals. Moreover, combination gave rise to many evils. Railroad lobbies frequently controlled state legislatures. Any attempt to secure legislation calculated to curb rebating, pass-giving, discrimination, or other evils met practically irresistible opposition. The eighties, furthermore, were not characterized by high idealism; the "smart" man who managed to make thousands or millions and keep within the letter of the law was not considered a social outcast if some of his practices had been sharp. Besides, there was a feeling that, after all, these men made things go; a continent was being opened and the herculean task must not be stopped by too meticulous a regard for proprieties. Always, however, there were some who protested, and some of the protests had brought the Granger laws. Many of the restrictive laws were modified or entirely repealed when the independent parties declined. The courts, too, played a part in undermining state railroad legislation. The final blow came in 1886 when, in the case of the Wabash Railway Company *v.* Illinois, the Supreme Court ruled that no state could regulate transportation companies when this regulation affected commerce among the states. The problem was then clearly seen to be one for federal and not state handling alone.

By 1886 the tide of resentment against railroads was not confined to the agrarian population of the western and southern states. Slowly there was rising a determined hostility to organized capital in general and specifically to that represented by railroads. Part of this heightened feeling came from a recent development of the activities of American and foreign banking concerns. Prior to 1879 capital for railroad building was raised virtually without the intermediary of great banks. The disastrous experience of J. Cooke & Company in 1873 seemed to be a warning that railroads lay outside the legitimate field of banking operations. But in the late seventies conditions were changing. In 1877 a group of financial magnates met to celebrate the completion of the refunding of the United States debt in which the Morgan house of London and Drexel, Morgan & Company of New York had been active. Two years later J. P. Morgan appeared in a new rôle. Cornelius Vanderbilt was in a tight place. His operations had brought him a fortune of nearly one hundred millions. This and growing complaints against his railroad aroused criticism which reached Albany. Moreover, Jay Gould, who had been trying in vain to get into the New York Central, was pulling all possible wires to embarrass the Commodore. Something had to be done. Vanderbilt sought the aid of J. P. Morgan who organized, with the help of the London house, a syndicate which disposed of 250,000 shares of the New York Central to foreign investors. Discrete publicity allowed it to be known that the proceeds of the sale were invested in United States bonds, and this allayed much of the resentment.

When the country was hit by the business depression of 1884, many roads were in a parlous state, and holders of stocks and bonds, especially abroad, were demanding relief. Of the five trunk roads three were tottering on the brink of failure, one was actually bankrupt, and the New York Central threatened to pass a dividend. Vanderbilt again appealed to Morgan who assisted in straightening out the tangle by financing the purchase of the West Shore, which had been backed by the Pennsylvania Railroad, and by selling Vanderbilt's holdings in a projected line to parallel the Pennsylvania. The Philadelphia & Reading in which much English money had been invested was reorganized with capital raised by Morgan. From then on the house of Morgan was looked upon as the one great banking concern in the United States which dealt in railroads securities, financed new projects, and raised the money to reorganize sick systems. This work of the Morgans was not wholly charitable. Three millions were said to have been the reward for the favor done Vanderbilt in 1879. Frequently the banking house received for its services stock in the reorganized companies; it had a definite interest in the running of the roads and thus was represented on the board of directors. The linking of transportation systems with banks had begun, and by the end of the century this association was very extensive.

Long before banking houses and the railroads began to draw together, an alliance between certain systems and the anthracite coal mines had been formed. Practically all the hard coal mined in the United States was in Pennsylvania, and roads like the Lehigh Valley, the Philadelphia & Reading, the Pennsylvania, and the Erie enjoyed a monopoly of carrying coal to market. As early as 1872 there was an agreement among these "anthracite roads" to restrict the amount mined and to apportion the traffic. This understanding lasted until 1876. In 1878 another pool was formed, and from time to time thereafter partially successful agreements were made and maintained for a period. Then, too, the same persons who controlled the roads bought into the mines. Thereupon independent miners found it increasingly difficult to move their output. This situation aroused the East to join with other sections in demanding that congress act.

The Interstate Commerce Act

In 1873 a resolution looking toward a law to curb railroads had been proposed, and in 1876 Hopkins of Pennsylvania had secured a measure requiring the Committee on Commerce to investigate the situation. This committee did not complete its investigation nor render any report, and the record of its hearings was "stolen." John H. Reagan of Texas worked consistently on the question of railroad control and such was the growing pressure outside that in January, 1885, the house passed a somewhat stringent regulatory bill. The senate adopted a milder substitute which failed to receive consideration in the house before that congress came to an end. In the forty-ninth congress the house prepared its measure and the senate countered with a substitute. The houses were unable to get together in 1886, but that year was marked by severe industrial strife and a new independent movement in politics, hence both parties realized the necessity of some action, for leaders recognized that the "trust" question and monopolies, including those in railroads, had come to be leading issues. Accordingly both houses again took up their bills, a conference committee received the divergent measures and turned out a more stringent act than either of the preliminary proposals. In voting on the conference report party and sectional lines were crossed, although most of the support came from West and South. Senator Cullom summed up its contents by saying: "It was partly declaratory of the common law, its essential features being that railroad charges must be reasonable; that there must be no discriminations between persons and no preference between localities; railroads were prohibited from charging less for a long haul than for a shorter haul, 'under substantially similar circumstances'; pooling was prohibited; and a commission was established with power to hear and decide complaints, to make investigations and reports and generally to see to the enforcement of the Act."

The act accomplished almost nothing of what its friends hoped and its enemies feared, but the ice was broken; thenceforward for congress to regulate and restrict those things which hitherto had been looked upon as private affairs susceptible only to the regulation of economic laws was not considered an innovation. Another departure was vesting the administration of the act in a commission, disconnected altogether from departmental organization. The Civil Service Commission was merely advisory, while the Interstate Commerce Commission was presumably given authority to deal directly through investigation and authoritative order with the conditions specified by the act.

Industrial Combination

Consolidation of railroads attracted attention earlier than industrial concentration. While the roots of large-scale industry were already striking down into the economic soil before the Civil War, "big business," as it came to be known, was a post-bellum product, and more particularly was it manifest after about 1875. A few of the many potent forces stimulating the movement, all arising from fundamental changes which mechanical power and machinery brought, call for special attention. All the forces interacted: sometimes one was more powerful than any or all others; sometimes it is difficult to determine the most influential.

Greater facilities for transportation take a foremost place in the catalog of primary incentives; yet increased production, or *anticipated* producing and consuming powers, stimulated the extension of railroads. Another factor was the steady decline of prices which took place between about 1875 and 1895. Technical improvements played no small part in bringing about this decline. After 1875 and the passage of the act for the resumption of specie payment there was an actual relative decrease in circulating medium—the complaint of the western farmer that there was a money shortage had some basis in fact—hence money became scarce or *dear*, and commodities proportionately cheap. With falling prices the manufacturer's position was precarious. Buying his materials and paying wages at a determined scale, by the time his product was marketed a further decline in price might wipe away all his profits.

Organizations of the greatest financial strength, large enough to extend their field of operations beyond a circumscribed area, able to undertake experiments resulting in saving here or there, to develop a side-line, or profitably utilize wastes, were the ones which best weathered the storms of 1873 or of 1884. Larger amounts of capital than were customarily thought of a few years before made success possible where old-scale capitalization threatened failure. It was here that the corporate form of organization figured; the amount of capital which might be raised was limited only by the terms of the charter and willingness of the public to subscribe. The investor had his liability limited usually to the amount of his stockholding; he was freed from attention to details of management, and could transfer his stock. The corporation, unlike a copartnership, did not come to an end by the withdrawal or death of one of the partners; its life might be indefinite. Moreover it was a simpler matter to engineer a combination or to expand an enterprise as a corporation than under any other form of organization. While some of the commonwealths of the United States already had laws outlining general terms for incorporation and provided for strict supervision of such bodies when chartered, there were several states in which it was easy to obtain a special act which granted very wide powers with a minimum of supervision. The prevailing thought of the time disapproved of much interference by government with economic undertakings; the doctrine of *laissez-faire*, while not reigning supreme, was still a fundamental economic dogma with the bulk of the populace. The hold of the Republican party upon national machinery indicated that a high protective tariff would continue, and, while protection was not a vital factor in all lines where combination occurred, it unquestionably promoted such organization in certain cases. The producers of coal, lumber, iron, certain food stuffs, and the like did not fear effective foreign competition so long as the tariff wall remained intact. Speculative possibilities also promoted combination. Reorganizations which involved stockwatering, which made two shares grow where one grew before, opened to the gaze of promoters vistas of great profits.

When the whole situation is considered it is not difficult to understand that it was something more than scheming of certain individuals which made the seventies and years following a period when industry rapidly assumed new aspects. It was largely a natural process which brought about combination. But to the man who found himself squeezed to the wall in the struggle, the whole matter appeared to result from machinations of men who refused to play fair. The farmer who found that his machinery did not decline in price proportionately to that of wheat or corn or cotton, and learned more or less inaccurately about the "harvester trust" or the "plow combine," ascribed his unfortunate plight to evil forces which ought to be curbed.

THE STANDARD OIL TRUST

During the eighties and nineties and to a considerable degree even after that, one organization stood out as archetype of combination tending strongly toward a monopoly; this was the Standard Oil Company. In 1877 a group of men including John D. Rockefeller, William Rockefeller, John D. Archbold, and H. M. Flagler controlled some 90 percent of the petroleum refineries in the United States and practically all the pipe-lines which, at that time, were relatively short affairs connecting the wells of Pennsylvania with railroad centers. This mammoth concern had been built up in less than ten years, and was primarily the creation of John D. Rockefeller. In 1868 he was head of the commission firm of Rockefeller, Andrews and Flagler. In 1870, aided by capitalists in Cleveland and New York, this concern incorporated as the Standard Oil Company of Ohio; by 1872 twenty of the twenty-five Cleveland refineries had been absorbed. Two years later the principal refineries of New York, Philadelphia and Pittsburgh were gathered in, and in 1875 those of Baltimore succumbed, making the Standard Oil master of all important refineries outside the oil fields in Pennsylvania. But the same year that the Baltimore concerns surrendered, John D. Archbold, as president of the Acme Oil Company, began to absorb one after another of the twenty-seven refineries of Titusville, and soon the information leaked out that the Acme was a subsidiary of the Standard. Pipe-lines went into the same maw, and when, in 1879, the first ambitious scheme of pumping crude oil over the mountains to tide water proved a success, negotiations between the Tidewater Company and Standard Oil brought about an agreement which left the line virtually under the control of Rockefeller and his associates. The Standard Oil Company was a close corporation with but ten members at the outset; by 1881 this number had increased to forty-one because some of the operators had been able to force a good bargain when they came to terms with Rockefeller.

Eighteen eighty-two marked another milestone of Rockefeller development. The Standard Oil Trust was formed. This not only inaugurated a new stage in business organization but brought into use a term which has ever since been taken as the designation of all kinds of large industrial combinations. It was a corporation of nine trustees who held for the benefit of the Standard Oil Company and its associated organizations all stock, for which it issued trust certificates to the amount of $70,000,000; every stockholder received twenty trust certificates for each share in the original organization. The Standard Oil Trust, then, controlled some forty subsidiaries chartered in various states from Maine to Minnesota. In some cases, as in the Acme Oil Company of New York or the Standard Oil Company of New Jersey, all the stock was held by the Trust; in most of the others 50% was held, while in two or three organizations less than a half was controlled. Most of the subsidiaries manufactured petroleum products, but some were engaged in transportation by pipe-lines or otherwise; others made containers for oil and other petroleum products, while many were jobbing companies. The Standard Oil Trust remained in existence from 1882 to 1892, always extending its operations and crushing or absorbing new competitors. At the same time the rising wave of opposition to consolidation and monopolistic combinations caused frequent legislative investigations and court contests.

Standard Oil in its social results presents two aspects. With its immense resources, its ability to finance new projects even when a sure return was not in sight, to maintain laboratories and carry on costly experiments, it unquestionably brought into use at a moderate price many articles of general benefit which could not possibly have been handled by any one small concern. When two or more refineries had duplicated efforts, combination allowed the closing of one. It made no difference to the holders of the trust certificates whether or not a particular plant was used, for the dividends, always satisfactory in amount, came in just the same. A part of the saving effected by elimination of competition was passed on to the public. On the other hand, some methods used by Standard Oil were not only open to criticism but were frequently reprehensible. Railroads were induced to give rebates. Service, obtained with difficulty by competitors, was always at its command. Wherever a refinery or a distributor attempted to enter Standard Oil's territory, and Rockefeller came to believe that nothing less than the whole United States must be that, he found the Trust ready and financially able to cut under him until he capitulated.

Growth of Trusts

Throughout the eighties and the nineties, then, Standard Oil was *the* Trust *par excellence*. But it did not long remain the only one for its success brought imitators who had experimented with less successful forms of combinations. Pooling had been tried. In 1868 the salt producers of Michigan had organized an effective pool by which output was somewhat restricted, prices stabilized and competition between members to a large extent eliminated. Pools growing out of possession of a basic patent, pools for the division of hitherto competitive territory, pools of all kinds rose and fell, but, while the device still obtains, the pool was unsatisfactory since there was no method of maintaining its permanency, and it was peculiarly open to legal attack.

One of the many imitators of Standard Oil was the Sugar Trust. Sugar refining presents admirably many of the factors which stimulated combination and discouraged competition. During and after the war new methods of production were coming into general use. Chemical devices, centrifugal machines, the vacuum pan and the polariscope decreased the time and ended the uncertainty of former manufacturing processes. But the new methods were very costly; from one hundred thousand to half a million dollars must be expended upon a plant and many refiners preferred to quit business rather than pay the price. The seventies and early eighties saw a decrease in the number of refineries, an increase in the output of surviving ones, and the rapid growth of a domestic and foreign trade in the finished product. In 1881 the movement toward combination began with a verbal agreement between three large houses to limit their output by a third until the market strengthened. Soon the refiners of Philadelphia and Brooklyn were joined by those of Boston, and for a time weekly meetings adjusted the tentative pool. Like most such informal organizations, however, it satisfied no one and gradually steps toward a more permanent understanding were taken. In 1887 the movement culminated in a trust, the Sugar Refineries Company, absorbing eight refineries; by the end of the year 17 concerns were in. Immediately ten of the refineries were closed, but the daily capacity was increased from 33,500 barrels to 34,000 barrels, while five independent refiners collectively turned out 10,400 barrels. In organization the Sugar Refineries Company followed the form of the Standard Oil Trust; each component part incorporated, then exchanged for trust certificates its stock which was placed in the hands of eleven trustees. By March, 1888, $45,000,000 in trust certificates had been issued.

Legal difficulties arose when the attorney-general of New York brought suit against the North River Sugar Refining Company and the Sugar Refineries on the ground that the former had exceeded its corporate powers by transferring its stock to the latter and allowing the trust to function in its place. The court ordered the charter of the North River Company annulled on the ground that such a combination was virtually a monopolistic conspiracy to raise prices and destroy competition and the New York Court of Appeals upheld the decision of the lower tribunal. It was this suit which was a determining cause of the reorganization which was effected in 1891. Another factor was new competition especially from Claus Spreckels, of San Francisco, who erected in Philadelphia a 1500-barrel plant in 1889.

The Standard Oil and the Sugar Refineries Company may be taken as two examples of trust organization which stirred the wrath of many in the eighties. They were among the most successful but by no means the only trusts. A legislative committee in 1888 found whiskey, milk, rubber, cotton-seed oil, envelope, elevator, oilcloth, butchers' and furniture trusts. In each of these lines of production there had been much the same story; improved methods, capacity production, intense competition with no proportionate returns, many failures and then steps to bring about some sort of a combination which would unite a large portion of the firms engaged in the output of the particular commodity. In each case there was distinctly a tendency toward monopoly, for, although in no instance did the trust control the complete output, it dominated so large a part that independents were practically submerged and in many instances lived because the trust allowed them to live.

Integrated Industry

The formation of gigantic organizations, whether in form of trust or otherwise, undoubtedly was the most spectacular aspect of big business, but it was not the only one. Where there was no distinct tendency toward monopolistic control, integration and expansion were the order of the day. In New England, while the little cotton or woolen mill survived in many a back community, those which enjoyed favoring conditions became corporations and increased their operations. In lumbering there was the same tendency. The forests of Michigan, Wisconsin and Minnesota became more and more the field of exploitation of corporations no longer content to log off the land and sell their timber to some sawmill downstream. Timber areas, sawmills and distributing agencies were controlled by organizations which constructed and owned railroads and steamboat lines; their own farms furnished food stuffs for logging crews, and their own stores sold the commodities which were demanded in the villages which their enterprise created and maintained.

An excellent illustration of the rise of large-scale integrated business is found in the steel and iron industry. In 1870 the census reports showed 808 establishments of varying size with a capitalization of $121,772,074 turning out a product valued at $207,208,696; ten years later the establishments had decreased to 792 but the capitalization had almost doubled and the output in tons had increased 150 percent. Steel is relatively a newcomer in industrial life although iron has long been considered a concomitant of advancing civilization. In 1865 most steel used in this country came from Europe, and the British had nearly a monopoly of its manufacture. But certain factors conspired to change the entire situation in a little more than a decade. The discovery that air blown upon molten iron would effectively burn out carbon, sulphur or other impurities, thus changing iron to steel, was a fundamental factor. The discovery and utilization of the vast ore deposits of Minnesota formed another. The energy of certain individuals like Andrew Carnegie supplied still another essential, while a high wall erected by a protective tariff cannot be left out of consideration. Carnegie's organization was by 1888 a truly integrated as well as large-scale industry: it owned and operated blast furnaces, coal and iron mines, smelters, rolling mills and transportation systems, for it maintained upon the Great Lakes a fleet of ore steamers and it had built or taken over railroads to carry its raw materials from the mines to the water's edge. Its products were all of the coarser variety, rails, bridge and construction material and the like, and it did not attempt to manufacture finer articles such as wire, tube or nails.

There was no aspect of the tendency to combination which interested the farmer more than that which had to do with manufacturing and marketing agricultural machinery. Up to 1874 the McCormick reaper with the device, invented by two Illinois farmers in 1858, whereby two men stood upon a platform to seize and bind the grain as it was cut, held its own against all the numerous competitors who sprang up. In 1874 Charles B. Withington sold to McCormick an invention to bind the sheaves with wire, and for ten years this enabled McCormick to retain his lead in supplying harvesters. But in 1884 William Deering secured the Appleby binder which used twine in place of wire and immediately Deering's machines acquired a vast popularity, and it was not until the McCormick reaper was able to carry as good a twine binder that the older machine recovered the lost ground. There was intense competition between rival manufacturers of agricultural implements. McCormick inaugurated the scheme of getting in touch with the farmer through his agents, who covered the whole of the United States and invaded foreign countries. The agent, usually a local hardware dealer, sold machines on the installment plan so that a farmer with any kind of a reputation for honesty could acquire a reaper or a mowing machine for a small cash payment. Other manufacturers adopted the same tactics. In the manufacturing of harvesting machinery, then, there was none of the tendency to combine which marked so many other large-scale industries, and it was not until 1900 that the International Harvester Company was formed. By that time McCormick, Deering, Osborne and the others who had built up their own industries, abhorring trusts, pools and all other consolidation devices, were dead. But if there was no agricultural implement trust, there was the same integration and expansion which characterized other lines. Each large manufacturer was constantly increasing the list of implements which he put out until each nearly covered the whole field of agriculcultural machinery.

It must be remembered, however, that the concentration which was going on in the eighties was mild as compared with that which came ten or twenty years later. Small concerns still far outnumbered the large, and individual enterprise was constantly urging men to venture for themselves. There was, nevertheless, enough of the tendency manifest to make it apparent that the old economic formulæ were no longer sufficient to explain the situation. Enough was visible to arouse the apprehensions of many.

The new industrial life demanded many things which would have been superfluous a few years before. The factory system brought concentration of industry and rapid development of cities. Few were the towns in which means of transportation and communication, prior to the war, were not those which had changed little for a century. But constantly and rapidly growing centers of population were becoming dependent on new forces and devices. In 1832 New York had the first horse street railway line in the world. It was not until 1878 that New York had an elevated steam railroad. In 1884 electrically driven street cars were proved practicable, but it was not until 1887 that Frank J. Sprague had in operation the first trolley line, in Richmond, Virginia. Immediately other cities began to yearn for this new device so strenuously that the way was opened for the manipulations of promoters like Yerkes, Widener, Elkins, Whitney, or Ryan, who in a dozen states gathered up stock in the old horse or cable railways, started their electrification, watered the stock of the newly formed corporations and later unloaded it on the public. What was true with transportation was equally true with illumination. Electricity began to replace gas, and another field, often joined with traction, was opened for exploitation.

Another public utility but not yet recognized as such in the technical sense, was the telephone. In 1878 Graham Bell and Gardiner Hubbard, Bell's principal backer, employed Theodore N. Vail, at the time general superintendent of the railway mail service of the United States, as general manager of the Bell Telephone Company. The same year Vail sued the Western Union Telegraph Company for infringing upon the Bell patents when it organized the American Speaking Telephone Company. A year later the Western Union, on the advice of one of the best patent lawyers of the day, settled the matter out of court by entering into an agreement in which the validity of Bell's patents was admitted, and the Western Union promised not to continue in the telephone business. The Bell company bound itself not to enter the telegraph business, to buy the Union's telephone system and to pay the telegraph company a royalty on all telephone rentals because the one distinct advantage which the Western Union had held was the Edison transmitter. In 1887 there were 170,000 telephone subscribers in the United States although the telephone was still a toy for most people and the cost of service was high.

Big Business and Government

Consolidation of industry, whether in the form of public utilities or "big business" in other lines, had forced itself upon the attention of the country, and the demand which, in 1887, resulted in the passage of the Interstate Commerce Act, grew to force a further interposition of government. Already several states had laws calculated to curb monopolistic organizations and restore competitive conditions. Not much change, it is true, resulted from the new legislation, for state boundaries were ignored by economic forces and it was beginning to be a small enterprise which confined its operations wholly to one commonwealth.

The demand for regulation of "big business," of monopolies, came first from the more radical political groups. The Greenbackers had included among their grievances the dangerous tendencies of growing concentration; they had lumped together "gigantic land, railroad and moneyed corporations, invested with, and exercising, powers belonging to the government," as fostered and sustained by the action of the old parties. By 1884, when industrial depression had the country in its grasp, and when the seething unrest, which was to rise to tumult within a decade, was manifest in so many different ways, "monopolies" were more strongly denounced. The Anti-Monopoly party that year maintained that "corporations, the creatures of law, should be controlled by law." The Greenback party, then in its dying gasp, reiterated its stand of the previous presidential campaign. Even the Democratic national platform ventured to state that "While we favor all legislation which will tend to the equitable distribution of property, to the prevention of monopoly, and to the enforcement of individual rights against corporate abuses, we hold that the welfare of society depends upon a scrupulous regard for the rights of property as defined by law." Congress, moved by popular demonstrations, authorized investigations and its ponderous documents corroborated the findings of state commissions and committees. The rising tide of dissatisfaction found expression in at least three platforms framed by political organizations in 1888. The Union Labor and the Prohibition parties denounced combinations of capital, monopolies and trusts. The Republicans took occasion to drop the issue of protection long enough to declare their "opposition to all combinations of capital, organized in trusts or otherwise, to control arbitrarily the condition of trade among our citizens," and recommended national and state legislation to "prevent the execution of all schemes to oppress the people by undue charges on their supplies, or unjust rates for the transportation of their products to market."

The elections following this campaign carried the Republicans not only into the White House but gave them control of both branches of congress. While there is good reason to suppose that the anti-trust plank had been placed in their platform primarily with an idea of making a "talking point," circumstances forced its consideration. Accordingly the Senate Judiciary Committee reported out in much modified form a measure introduced earlier in the session (January, 1890) by John Sherman. There was little debate on the bill, although the house refused to accept it exactly as it came from the upper chamber. Indeed, one may question how seriously congress took the whole matter. The bill as signed by the president on July 2, 1890, asserted in the first section that "every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several states, or with foreign nations, is hereby declared illegal." No definition of a conspiracy, trust, or combination in restraint of trade was made. There were those who maintained that the Anti-Trust Act added nothing to existing principles, that it merely stated a generally accepted common-law truism. Events seemed to bear out this assertion, for more than ten years were to pass before any real teeth were found in the law, and then only after a decisive change was apparent in the public temper. As in the case of the Interstate Commerce Act, popular rejoicing over the Anti-Trust Act was premature and it was not long before people realized that, law or no law, the development which they had noted and feared was continuing at an accelerated pace.

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CHAPTER VIII

THE LABOR SIDE

The Knights of Labor

The labor disorders of 1877 had not been a mere flash in the pan, for they introduced a new chapter in American economic history. With the rapid development of big business, with concentration and integration, came a tendency for labor to organize on a scale before unknown in the country. Until past the middle eighties the most prominent organization was one which came into existence when Uriah S. Stephens and a group of Philadelphia garment-cutters, in November, 1869, started the Noble Order of the Knights of Labor. Stephens believed that the fundamental cause of the collapse of a certain local union had been the lack of harmony between the craft union theory and existing industrial development, hence the new society was to be wider in its scope and take in "all branches of honorable toil." Seventy-five percent of the members must be wage-earners, and "no one who either sells or makes a living, or any part of it, by the sale of intoxicating drinks either as a manufacturer, dealer, or agent, or through any member of his family, can be admitted to membership in this order; and no lawyer, banker, professional gambler, or stockbroker can be admitted." Stephens was an ardent Mason and this was one reason why the new order was secret and had an elaborate ritual. Even the name of the society was withheld and was represented by the symbol *****, giving rise to the name of "Five Stars" by which it was first generally known. While many were attracted by the secrecy, others were antagonized, for the very fact that the whole matter was kept from general knowledge aroused suspicion.

During its early years the order grew slowly without any definite rules. The first group was joined by men of various callings and there was no distinction between trades except that in matters relating to tailoring the "sojourners," as other crafts-men were designated, had no vote. This was a compromise between some of the members who wished to admit all applicants without distinction, and those who preferred to keep the organization in the hands of the originators. The "sojourners" were expected to imbibe the ideas of the Five Stars and then start other groups.

Stephens had grasped the fact that combinations of capital radically affected laborers. It was his idea that integration of industrial enterprises necessitated integration of labor, something which the existing unions failed to accomplish. Whereas the old labor unions were interested in advancing the cause of particular groups, limiting the number of apprentices to prevent overcrowding of the ranks and advocating other policies which would redound to their own advantage, Stephens believed that labor would gain more by co-operative undertakings, by mutual aid, and that an educational campaign to disseminate these views would benefit the greatest number.

Down to the middle of 1872 all efforts to organize new assemblies failed, but between then and May, 1873, six were formed, all in Philadelphia and mostly among textile workers. This necessitated more definite regulations and a "committee on the good of the order" became the germ of District Assembly No. 1, with thirty-one local assemblies, formed in December. The following October District Assembly No. 2 of Camden came into existence, and ten months later District Assembly No. 3 of Pittsburgh. By this time the order may have numbered some five thousand but the membership was constantly fluctuating. In some cases trade unions came in as a unit and frequently men belonged both to a union and to the Knights. Since the new order seemed to provide no particular benefits, many dropped out after a short time, but Stephens' doctrines were spreading and had much to do with the outburst of labor activity a few years later. The Knights were strongest in states like Pennsylvania, New York, New Jersey, Maryland, Massachusetts, Indiana, Ohio and Illinois, where industrialism was most developed. Between District Assembly No. 1 at Philadelphia, which gave most of its attention to work in the eastern states, and District Assembly No. 3 at Pittsburgh there was little communication, for the latter was inclined to arrogate to itself leadership in the West. The need of a national organization, however, was apparent, but before definite steps were taken an effort was made to bring together all labor organizations, and to effect this a convention was held in Pittsburgh in 1876. The object of the meeting was to formulate a set of demands upon which all could unite, but two of the various groups, the Socialists and the Greenbackers, were unable to get together. When a platform favored by the latter was adopted the former withdrew. While both Socialists and Greenbackers were inclined to favor political action through a workingman's party, the convention as a whole refused to commit itself. The influence of the Knights was seen when the convention urged "upon the workingmen and working women of the country to organize under one head, each for all and all for one, upon a secret basis, not antagonistic with the duty they owe to their families, their country and their God."

With the failure to effect a nation-wide organization of all labor forces the Knights proceeded alone. Under the leadership of District Assembly No. 1, a convention, which was not attended by any delegates from Assembly No. 3, met in Philadelphia in July, 1877, and drew up a constitution for the National Labor Union of North America. District Assembly No. 3 held its own convention at Pittsburgh. In January, 1878, the two were brought together and thereafter a real national order existed. One of the principal forces which drove the sections together was the series of unsuccessful strikes of 1877, in which the Knights as an organization did not participate, although many of their members were involved. For the next three years the principal internal issue was the question of secrecy. The older group contended that its educational value outweighed all disadvantages; others maintained that it retarded the growth of the order because it antagonized people, especially members of the Catholic church. Moreover, the fact that the Molly McGuires, who terrorized certain mining regions in Pennsylvania from 1875 to 1877, formed a secret organization, cast a shadow over any movement which refused to let the public into its mysteries. In 1881 the opponents of secrecy gained their point and thereafter the order grew more rapidly.

As a national organization the Knights had a General Assembly with "full and final jurisdiction" in all matters, a court of appeals on questions coming from District Assemblies which were the highest tribunals within their spheres. The functions and allegiance of local assemblies were not clearly defined and from this came confusion later. Although three-fourths of the members of all locals must be wage-earners, large numbers of farmers, small business men, and even shop foremen were admitted; 19,422 members were enrolled in 1881, some nine thousand fewer than in 1880, but in 1882 there were 42,517 and in 1883, 51,914. New districts were organized in industrial centers. Growth was stimulated by a policy of helping weak unions as in the case of the old Knights of St. Crispin, and of telegraphers in 1882 when they tried to form a national union. Groups which had never been unionized or were weak in organization, like the barbers, horse-railway men, miners, or harness-makers, were assisted. Affiliation with existing unions was encouraged, and to these was held out the expectation that "as members of the Knights of Labor they could protect the interest of their trade just the same as under their protective union, and at the same time receive all the advantages of organization and association with all other branches of industry."

In 1879 Stephens resigned as grand master laborer and was succeeded by Terence V. Powderly, who had much the same views as his predecessor. Powderly found that the objects of the order were variously conceived by members; some believed that the whole strength, particularly its financial strength, should be used to assist in strikes; others thought the chief work should be in co-operation and education. A compromise was reached by which one-third of its funds was to be bestowed upon each object.

Labor Disputes of the Eighties

Before the eighties the Knights as an organization had had little to do with strikes, but then a change came. The first important labor struggle aided by the Knights was that of the telegraphers who in 1883 struck for shorter hours, one day's rest in seven and a 15 percent increase in wages. The sentiment of the public and the press was almost unanimously with the strikers principally because of hatred for Jay Gould, then head of the Western Union. Nevertheless the strike failed and the men who had not been blacklisted went back to work on the old conditions. Since the order had to do mainly with unskilled and unorganized groups of labor, the Knights, lacking discipline, made no brilliant showing in a set conflict with capital, although through its wide affiliations it could work effectively in boycotts or in co-operating in strikes on a large scale.

From the beginning of 1884 to the close of 1886 the Knights reached their greatest strength. This was the time when the relative prosperity which had prevailed from 1878 through 1883 gave way to depression immediately affecting working classes, particularly the semi-skilled and the unskilled. While the unemployment was not particularly high there were numerous wage cuts, averaging about 15 percent according to Bradstreet. In some industries like mining the reductions went as high as 40%, and according to Bradstreet again, "among industrial wage-earners reductions in wages have been greatest where there have been no industrial organizations or weak ones." The depression enormously helped the growth of the Knights of Labor. From 52,000 in 1882 there was a jump to over 700,000 in 1886. Hard times and wage cuts caused a large number of strikes and in many of these the Knights were directly or indirectly involved. In 1884 strikes took place among the spinners in Fall River, the cigar makers of Cincinnati, the miners of the Hocking Valley and the Troy stove mounters. All failed, even that of the stove mounters who refused to accept a 20% cut in wages and remained out from March, 1884, to April, 1885, spending over $150,000 in strike benefits. Much attention was attracted to the strike of miners in the Hocking Valley where the operators employed Pinkerton detectives, the state militia was called out, and the strikers spent over $100,000 in benefits during the six months' struggle. Many of the strikes of 1885 were started in a more or less spontaneous way by unskilled and unorganized laborers, like the lumber workers of the Saginaw Valley in Michigan and the quarry workers of Lamont and Joliet in Illinois. The Knights aided these and other strikes by boycotts which, for the first time, began to figure extensively in American labor disputes. During 1885 there were 196 labor boycotts in various parts of the country, of which 59 produced some of the desired results.

Of all the strikes which troubled these years, however, those affecting railroads attracted most attention and were most devastating in their effects. In 1884 there were two strikes on the Union Pacific lines; one of these began among the unorganized shopmen in Denver, who called in Joseph R. Buchanan, a prominent Knight and the editor of the Denver *Labor Enquirer*, to manage it. His efforts brought a large part of the Union Pacific employees into the Knights of Labor, and their strike became a complete success. Much more important was a strike which began on the Wabash Railroad which, with other Gould lines, had been subjected to wage reductions beginning in 1883. A further ten percent cut in the shops of the Wabash and of the Missouri, Kansas & Texas brought a walk-out and the strikers were joined by the shopmen of the Missouri Pacific in March, 1885. When engineers, conductors and trainmen backed the shopmen the railroad capitulated and wages were restored. Buchanan assisted the Gould line strikers, and organized many Knights of Labor locals. Shortly afterward the Wabash went into the hands of a receiver who announced that the previous contracts no longer were operative. This brought a second strike in August, 1885. Then, after a futile attempt to confer with the receiver, all the Knights of Labor employed by the Gould system and the Union Pacific were ordered not to repair or handle Wabash rolling stock. This would have tied up more than 20,000 miles of railroad, so, under pressure from Jay Gould, the receiver yielded.

The Knights thus obtained their most important victory, for they had been able to force compliance with their demands from one of the strongest employing organizations. This and the previous encounter with the Union Pacific brought nation-wide interest; letters from all over the country came to the general-secretary-treasurer asking directions for forming locals, and thousands of members were added. In St. Louis the locals were increased from five to thirty; half of all the membership in Illinois came after January 1, 1885. On July 1, 1885, the Knights of Labor had 989 locals with 104,066 members; on July 1, 1886, there were 5,892 local assemblies with 702,924 members. In some places, especially in St. Louis, there was overzealous expansion, contrary to the warning of Grand Master Powderly. Partly on account of the fees received by organizers for establishing or reorganizing locals, partly because a district had representation in the General Assembly in proportion to its numbers, local officials were not always careful to heed the warning from headquarters that "organizers must not take in a body of men who are engaged in a strike or about to embark in a strike. If they need advice or counsel, give it to them, but the Knights of Labor must not in future be charged with sins of which they are not guilty." The sudden expansion of locals brought in many men who neither understood or cared for the aims of the order, a fact which had much to do with the conduct of a new strike which broke out on the Gould system in February, 1886.

The arrangement of 1885 had stipulated that Knights of Labor would not be discriminated against, but the men were in a state of turmoil because they believed they were subjected to petty persecutions. When, then, a man at Fort Worth was discharged and not reinstated upon demand of the local Knights a strike began on the Missouri Pacific which rapidly spread to practically the whole Gould system and tied up over 5,000 miles of road in Illinois, Missouri, Kansas and Texas. Gould and Powderly tried to arbitrate, but they were powerless in the face of the local situation dominated by the district leader Matthew Irons, who, although generally conceded to have been well-meaning enough, was overbearing and impressed with the sense of his own importance. Although the engineers, conductors and trainmen did not join the strikers they could not keep trains running. Another complicating factor was a conflict between strikers and militia in East St. Louis. Public opinion was deeply stirred and a congressional investigation was ordered. The strike lasted six weeks and then ended in defeat and the Knights of Labor, so closely associated with it, lost much prestige.

Just before the railroad strike ended another movement materially affected the Knights of Labor although they were but incidentally concerned in it. This was an eight-hour day demonstration. It started on May 1 in Chicago where some 80,000 persons were involved; it affected 45,000 in New York, 32,000 in Cincinnati, and smaller numbers in Baltimore, Boston, Milwaukee, St. Louis, Washington and other cities. In some instances the strike was successful; in others a reduction of working hours came without a strike.

RADICAL AGITATION

Another kind of agitation was associated with the eight-hour day demand, especially in Chicago. Socialism had made some headway in Europe prior to 1860 but it was not until after the war that it was a force to be reckoned with in the United States. From two sources came the radical doctrines: one was from groups of foreign-born, principally German, the other from native-born citizens who still showed the influence of the Fourier movement of the forties. By 1869 the former had organized as a part of the National Labor Union, an offshoot of the International Socialist Party, while the latter, under the name of the New Democracy, was advocating state socialism. Neither of these movements made much progress, although their doctrines were widely discussed. While socialist propaganda was being spread a totally different theory, the anarchism of Bachunin, which looked forward to an entire abolition of governmental machinery, attracted a small following. Both radical movements were confused in the popular mind and many considered anarchism and socialism synonymous, although in fact they were diametrically opposed. The agitation reached relatively small groups and won few adherents. In part this was due to a split in the ranks of the International group, but primarily the lack of success may be charged to the fact that Americans did not take readily to socialistic teachings. In 1875 the International Workingmen's Association dissolved, and by 1876 the Socialists were united in name but internally differences persisted between the followers of Lassalle who favored political action and the Internationalists who emphasized the trade-union idea. The futile attempt of 1876 to coalesce all labor organizations showed that the Socialists were far from powerful, and the Social Democrats decided to proceed independently again. In some localities political action was undertaken and a few votes were polled. Candidates of the Socialist Labor party, as it was now called, in 1877 gained as many as 7,000 votes in Chicago, 9,000 in Cincinnati, and a few in other industrial centers. In 1880 Socialists had 44 out of 756 delegates in the Greenback-Labor convention, but they were unable to obtain even a very mild plank in the party platform, and the net result of their activities that year was a weakening of the already feeble organization.

One important outcome of the friction of 1880 was a formal separation of a revolutionary element from the party. This group, in which there was a large number of recently arrived German immigrants, organized and in 1881 held a so-called national convention in Chicago which said it stood "ready to render armed resistance to encroachments upon the rights of workingmen." Some went over to anarchism under the leadership of Johann Most of New York and advocated "loosely federated autonomous groups of producers." The hard times from 1884 to 1886 swelled the numbers of the revolutionary and anarchistic groups, especially in centers like New York and Chicago. The unemployed marched the streets and held mass meetings where they were harangued by such men as Parsons, Spies, Griffin and Schwab who preached their doctrines of violence. Toward the end of 1885 the Chicago Black Internationalists were said to number some two thousand and there were possibly five or six thousand throughout the country.

In Chicago the Central Labor Union began in November, 1885, an agitation for an eight-hour day. The radical temper of the organization was shown in the adoption of a resolution introduced by Spies wherein the wage-earners were urged to arm "in order to be able to put forth against their exploiters such an argument which alone can be effective: Violence . . ." The actual inauguration of the eight-hour strike was brought about by the Eight-Hour Association of Chicago specially formed for the purpose by the Amalgamated Trades and Labor Assembly, the Socialist Labor party, other Socialists, and the Knights of Labor, and a monster demonstration on the Sunday before May 1 was planned. Before this, trouble had started at the McCormick Harvester works where a lockout had been in force. On the third of May a meeting of strikers held near the McCormick works was broken up by the police who shot into the crowd, after some stones were thrown, and killed and wounded several persons. To protest against this action another meeting was called for the next day in Haymarket Square, and there Spies and later Fielden spoke, the latter dwelling mostly on the eight-hour question. Most of the crowd dispersed while Fielden was speaking, and Mayor Harrison, who had been present, went away. Then, while a few hundred still lingered, a squad of police arrived and began to advance on the group. Fielden protested that it was a peaceful meeting, and as the captain was turning to give an order, a bomb was thrown killing one policeman and injuring others, whereupon the police fired into the crowd.

When the news of the bomb-throwing was spread over the land a cry of horror went up; things like bombs and assassinations belonged not to America but to Russia, the land of tyrants. Spies and six other known members of the International were arrested and later Parsons gave himself up. The trial of these men showed that a panic had seized not only Chicago but the whole nation; if the jury had not brought in a verdict of guilty against the seven Internationalists people generally would have considered that there was not only a gross miscarriage of justice but that the pillars of society were crumbling. Generally it was felt that, while but one of the convicted men even knew anything about the bomb, only justice was done when, after the lower court had been sustained by the Supreme Court of Illinois, four of the men, including Parsons and Spies, were hanged, and two others given a life sentence. Some realized that a dangerous precedent had been established when the crime was fixed upon men whose real offense, if any, consisted in advocating social changes of which most people did not approve. These few were willing to commend Governor Altgeld when he pardoned Fielden and Schwab, but many denounced this as an act of a man little if any better than an anarchist himself. Although not connected in any way with the bomb-throwing, and as an organization lending its influence only to the eight-hour demonstration, the Knights of Labor suffered an irreparable blow by the Haymarket affair. Membership declined rapidly since most people failed to distinguish between acts of violence and legitimate protest against grievances.

THE AMERICAN FEDERATION OF LABOR

The late seventies and early eighties were prolific in the formation of labor organizations of various sorts; trade unions expanded, and some which had called themselves national actually became so while others were reaching in that direction. The Knights of Labor emphasized labor unity and tried to gather into one group all types, although each industry was intended ultimately to have its own local; trade unions, whether national or local, stood each for a single craft. Between craft unions there could be and frequently was co-operation but it was spasmodic. The need of some live bond was apparent, but since 1873 there had been no real attempt to bring about any federative movement. Such unity as existed was provided by the Knights of Labor, yet this organization did not in any considerable way reach the skilled trades.

After suggestions from various national unions a conference was called by an offshoot of the Knights to meet at Terre Haute in 1881. This meeting was attended by representatives of four or five national unions and delegates appointed by local federated groups, such as the St. Louis Trades and Labor Assembly. A temporary organization was effected, and the group recommended a permanent federation on a national scale, and issued a call for an International Trades Union Congress to be held in November of the same year at Pittsburgh, to which "all international and national unions, trades assemblies or councils and local trades or labor unions" were invited to send delegates. The Pittsburgh convention was attended by 107 representatives of eight national unions, eleven city trades councils, forty-two local unions and three district assemblies of the Knights of Labor as well as forty-six local assemblies of the Knights. Then came contest between those who believed that emphasis should be placed upon crafts unions and those who defended the principles of the Knights, and the former succeeded in carrying their point when it was determined to base representation in national conventions on unions. Administrative functions were put in the hands of a committee of five and a federation secretary. The convention drew up resolutions calling for legal incorporation of trade unions, legislation dealing with child labor, the eight-hour day, compulsory education and prison labor; abolition of the "truck" system, mechanics' liens and conspiracy laws; anti-immigrant laws; the creation of a bureau of labor statistics; and a protective tariff for American labor.

The second convention, which met in Cleveland in 1882, was less well attended since neither the Knights of Labor nor the Amalgamated Iron and Steel Workers were represented. A change in the constitution created the offices of president and vice-president, an English secretary, and a German secretary. In its resolutions this convention eliminated a tariff pronouncement on the ground that it did not benefit labor. It called attention to the land question but a single-tax plank was defeated since, as Samuel Gompers, the vice-president, said "it is not the ownership of land that should be fought, but the doings of the capitalists we are organized to oppose." Conventions met from 1883 to 1885, but the star of the Knights of Labor was in the ascendant and no great strength of federation was evinced, although trade unions as such were growing.

In 1886 there were conflicts between the Knights and unions including that of the cigar makers in which Samuel Gompers was dominant. Union leaders came to the conclusion that a strong federation must be effected both to advance the cause of labor and to combat the Knights who insisted on taking in weak unions and forcing the strong ones to amalgamate with them. The outcome of the contest was a call for a general trade union conference to meet in Philadelphia in May, 1886. Joining in the call were members of the cigar makers', granite cutters', carpenters' and iron moulders' unions, and the general secretary of the Federation of Organized Trades and Labor Unions. The Philadelphia convention perfected the organization of the American Federation of Labor. The Federation represented from the beginning conservatism in labor and skilled rather than the unskilled workers. Its first president, Samuel Gompers, upheld the older union ideas and repudiated those of the socialistic groups and the Knights of Labor. Slowly the federative idea spread and was applied to local and to state organizations. Not all of the national unions, however, could at first be induced to join, and the railroad brotherhoods, which were coming to be looked upon as among the most powerful in the country, consistently refused to federate. A year after the organization was founded, some 70,000 members were united in the federation. The number was small as compared with the Knights of Labor, but the latter organization was going downhill while the federation continued steadily to gain in strength so that at the close of the second decade of the twentieth century over three million members were claimed.

SOCIAL UNREST

In addition to labor agitation the decade of the eighties gave rise to numerous other manifestations of social unrest and to the production of numerous schemes for social reform. Foremost among the men who came forward with panaceas was Henry George. George did not approach the social problem from the point of view of labor; he was an "intellectual." With the rapid taking up of public lands, with the rise of ground rent and the development of a tenant class, he thought he saw the explanation of declining wages in the exaction of rent. Accordingly in 1880 he explained his theory in *Progress and Poverty* wherein he advocated a tax upon land alone. This, he believed, would gradually solve the labor problem by the pressure which would be brought to bear upon owners of unutilized natural resources. Unused or slightly used land with the natural resources in or on it would be forced into use, more people would be needed for work, unemployment would gradually disappear and wages would rise. In the East George's single-tax theory met with an enthusiastic reception. It seemed to afford a solution of the growing rent problem of urban centers and it appeared to be an antidote to socialism. Moreover George was popular with labor, even though his theories were little understood by most workingmen. It was because of this popularity rather than his single-tax ideas that he became a labor candidate for mayor of New York in 1886 and polled a vote of 68,000 against 90,000 for the Democratic candidate, and 60,000 for Theodore Roosevelt, the nominee of the Republican party.

Rivalling *Progress and Poverty* as a best seller was a work of an entirely different nature, Edward Bellamy's *Looking Backward*. This was a utopian romance depicting a society where government had taken over practically all private enterprises. Numerous papers and periodicals agitated the ills of society and pointed to this or that cure. Some of them were avowedly propaganda for certain specifics, other were the products of economists and other students of social phenomena.

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CHAPTER IX

CLEVELAND'S FIRST TERM

When President Cleveland in December, 1885, sent his first annual message to congress he was already aware that the first magistrate of the land had no bed of roses. All through the summer he had been besieged by office seekers; if Democrats had helped Republicans pass the Civil Service Act it did not mean that they despised the loaves and fishes. Cleveland was a man of few arts and graces; what he had to say he said bluntly and with little thought of softening a blow by gentle words. Essentially honest, he made up his mind that when he made removals they should be for the good of the service generally. As one leading Democrat after another received a rebuff at the hands of the president, the vials of wrath of "regulars" were emptied upon his head. Individuals and newspapers, particularly the party organs of the South and the West, united to denounce the "renegade" Democrat who would not stand by his party.[1] Enough removals were made, however, to offend Republicans, and some bad appointments drew the fire of civil service reformers.

Republicans in congress determined not to take any course of positive aggression nor, on the other hand, unduly obstruct legislation by filibustering since it was obvious that such a course, in the temper then displayed throughout the country, would work against them at the next election. But, trusting that the president would do something which would offer an opening, they determined to "wait awhile and then put Cleveland in a hole." An opportunity seemed to come in certain removals. Selecting the case of one George M. Duskin, who by executive order had been removed as United States district attorney for the southern district of Alabama, the senate committee on the judiciary brought in a resolution asking the president his reasons for the action. The senate, upon the authority of a remnant of the tenure of office act, passed the resolution. Thereupon Cleveland in a blunt message refused the request and said that it was "by no means conceded that the Senate has the right in any case to review the act of the Executive in removing or suspending a public officer." If there was a hole the Republican senators found themselves in it.

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[1] A Democrat fool who serves as a tool
  The men of his party to beat,
Deserves to be thrashed and have his head smashed,
  And kicked out into the street.

'Tis better to vote for some billy goat,
  That butts for his corn and his hay,
Than to vote for a man that has not the sand
  To stand by his party a day!

This was the reaction of a western bard whose doggerel was copied from one end of the country to the other.

Appointments and removals were shoved aside by more pressing issues, some of which were mentioned in Cleveland's first annual message. Recommendations therein attracting most attention had to do with rehabilitation of the navy, characterized as a "shabby ornament to the government," reform in land laws to check private acquisition of large tracts, modification of the tariff especially as to duties upon "the imported necessities of life," and extension of civil service reform. The monetary situation received extended consideration. The President pointed out the difficulty of keeping silver dollars in circulation; some 50,000,000 were being used as currency, but three times as much remained in the treasury, and that amount increased by not less than two millions each month, paid for by gold or its equivalent. "If continued long enough," the president stated, "this operation will result in the substitution of silver for all the gold the Government owns applicable to its general purposes." The remedy, he concluded, was the repeal of the purchase provision of the Bland-Allison Act. The political situation, however, was so involved that the president's warning fell upon deaf ears; in both parties there was too much silver sentiment to permit such a thing.

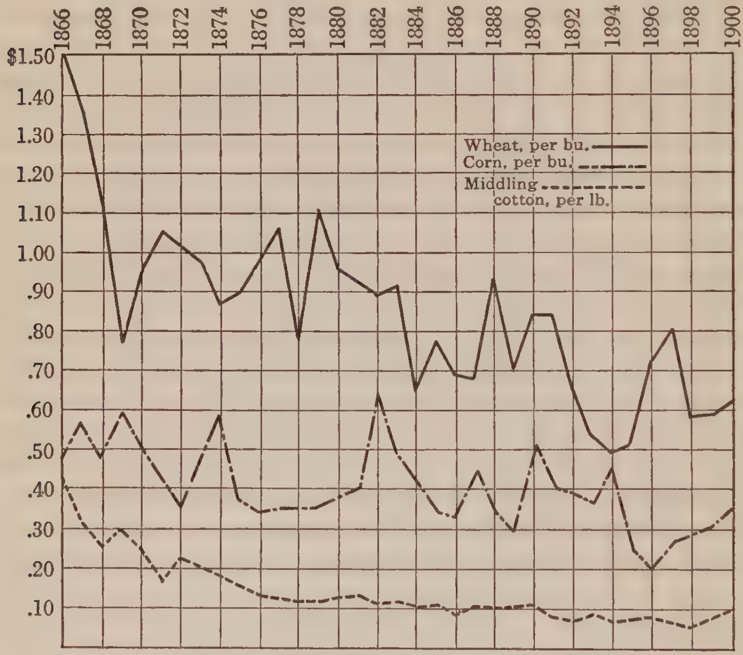
The Unrest of the Farmers

Already alarming symptoms of a new agrarian unrest affected party affiliation in the South and even more in the West. The seventies and the eighties had seen a tremendous influx of settlers into the Mississippi Valley and upon the plains from the Canadian border to the Rio Grande. The better and more accessible lands had been well picked over before this rush set in, and the result was that most newcomers were obliged either to buy the more convenient farms at an advancing rate or strike off into districts which a few years before would have been considered uninviting. Nebraska, Kansas, Dakota territory, portions of Colorado, Montana and Wyoming, and the Pacific slope received literally millions of people, most of whom expected to make their living by farming. The population of Nebraska in 1879 was 122,993; in 1880 it was 452,402 and in 1890, 1,062,656. In the twenty years following 1890 the gain was less than 130,000. Kansas, since events had conspired to throw a considerable population into it at an earlier date, made a less spectacular growth, nevertheless its inhabitants increased from 364,399 in 1870 to 996,096 in 1880 and 1,428,108 in 1890. Dakota territory in the twenty years between 1870 and 1890 was so sought by land-hungry farmers that from a mere handful the population had reached 530,000, the territory had been split in two, and the states of North and South Dakota admitted into the union.

Indian tribes were pushed farther into regions which made little or no appeal to the whites. Large reservations were broken up. In 1887 congress, in the Dawes Act, recognized the futility of attempting to preserve the reservation system and broke up a large number of the remaining ones, allotting a portion of the land in severalty to Indians and opening much of the rest to settlement. This act also subjected to entry one of the last great strongholds, Indian territory, and there was a grand rush into the Territory of Oklahoma, as first a portion and then all of this region came to be called. Congress had induced settlement upon arid lands by the passage of the Desert-Land Act in 1877, which was applicable to the coast states and to the territories of Idaho, Montana, Wyoming, Utah, Dakota, Arizona and New Mexico, and, in 1891, to Colorado. A realization that natural resources were being given away from a rapidly diminishing supply brought in 1888 an act by which an investigation and segregation was to be made of land which could be redeemed by irrigation, and for withdrawal of sites for reservoirs and other works necessary for irrigation. This act produced a tremendous outcry; it was, people said, but one more instance where the government was made an instrument to oppress the poor man and prevent his obtaining a little of the bounty so lavishly bestowed in former years. Such was the pressure from the West that in 1890 the portion of the act providing for withdrawals from entry was repealed, although reservoir sites already located were retained.

Filling the regions which formerly had been called a part of the Great American Desert, such as western Kansas and Nebraska and parts of Colorado and Wyoming, had resulted not alone from a growing scarcity of public lands, but also because it appeared that the aridity of this region had been greatly overestimated. Year after year rainfall enough to ensure a crop at least every other year had seemed to prove that it was not a desert at all, and that a man had a fair chance of getting a tolerable living if he worked hard. In the late seventies and down to about 1884 the price of wheat and other grains had been high enough to tempt people to gamble with nature to the extent of getting lands, mortgaging them and their stock to increase their holdings, buy more machinery and generally extend operations. Many, of course, took up land merely with the intention of selling as soon as the title was clear; in other words, it was a speculative venture. This was the period of "bonanza" farming. Some believed that agriculture could be conducted as a large-scale industry; hundreds and even thousands of acres with much expensive machinery were used to produce staple products in great quantities. Most of these enterprises, however, proved a failure, and it was partly due to the break up of such holdings that from 1860 to 1890 the average size of farms steadily diminished. As large-scale farming broke down some corporations sold out. Others rented and gave rise to a type of tenant farmer whose operations were marked by lack of energy and initiative.

It is very doubtful if there has ever been a real overproduction of food for the world as a whole, but unquestionably there have been times when distribution processes have failed to prevent shortage in some places and glut in others. Such a maladjustment was discernible at times between 1870 and 1890, so that there were periods when grains and other edibles could not be sold at a price which covered the cost of production. Furthermore, the wheat crops of Russia, of Argentina and of Australia competed with American grains in a world market. It was, however, impossible for the farmer of Illinois or Nebraska to have at hand all the facts, and to him the fluctuations of price meant malign manipulation somewhere, as, indeed, there was to some degree. With increasingly better transportation facilities some farmers broadened out and no longer concentrated on a single staple. Dairying, stock-raising, truck gardening and the like began in a limited way to displace the one crop economy especially in the older western states.



Average prices of wheat, corn and cotton, 1866-1900.

The general average of prices for farm commodities after the Civil War ran low in comparison with those of other things. This was especially true from 1876 to 1880 and between 1883 and 1890. Cotton fell so that from 1880 to 1890 the price averaged about eleven cents a pound. Wool, which had brought over a dollar a pound during the war, suffered a precipitous drop immediately after, rose a little in the early seventies and then declined steadily to thirty-three cents in 1892. In the grain belt the situation was summed up in this way: "Every year closes with debt, and the mortgage grows till it devours the land. . . . A large share of recent corn crops has been consumed for fuel; and over vast areas . . . wheat sells at from 40 to 50 cents, oats at from 9 to 12 cents, and corn from 10 to 13 cents a bushel, and fat cattle at from 1½ to 3 cents a pound."[1] While the prices of agricultural products fell, interest on mortgages failed to follow; what had seemed a trivial obligation while the boom continued became a heavy burden in times of depression. Kansas, worst hit of all the newer states perhaps, was nevertheless typical of conditions in the West and South. Partial statistics gathered in 1890 showed that of 3,107 farms 350 were free from incumbrance, 1,030 were rented, and 1,727 were mortgaged to an aggregate of $1,484,706. Investigations demonstrated that much of the debt was incurred not to buy land but to meet expenses.

THE FARMER AND SILVER

The farmer, particularly in the West, believed the principal cause of his evil plight was scarcity of money. While he never lost his belief in direct government issue of currency, that is greenbackism, force of circumstances obliged him to emphasize another cure—free coinage of silver. The same pressure which had produced the Bland-Allison Act of 1878 was constantly exerted all through the eighties. At the same time there was steady opposition to the national banks which depended in large degree on eastern money, and, so the westerner thought, eastern capitalists purposely restricted their investments in order to keep interest rates high. The farmer believed that the real cure for money shortage lay in withdrawing from national banks the right to issue bank notes and having the government put out United States notes, but he was obliged to fight with any weapons he could find.

The farmer found an ally in the silver miner whose market was steadily dropping. Free coinage of silver, he urged upon the perplexed agriculturalist, would increase the amount of money in circulation and this would raise the price of commodities and lower that of money; in other words it would bring down interest rates. Three groups, then, believed that their common interests demanded common action; southern farmers, western farmers, and silver miners were thoroughly convinced that their salvation lay in attacking "the great Moneyed Powers of Europe and the East." Industrial and commercial centers like St. Louis were willing to co-operate in order to regain economic prestige. In addition to, and as a result of, the agrarian unrest there was renewed sectionalism in which the East, with its money power, its manufactures and commerce, and its belief in the gold stand-

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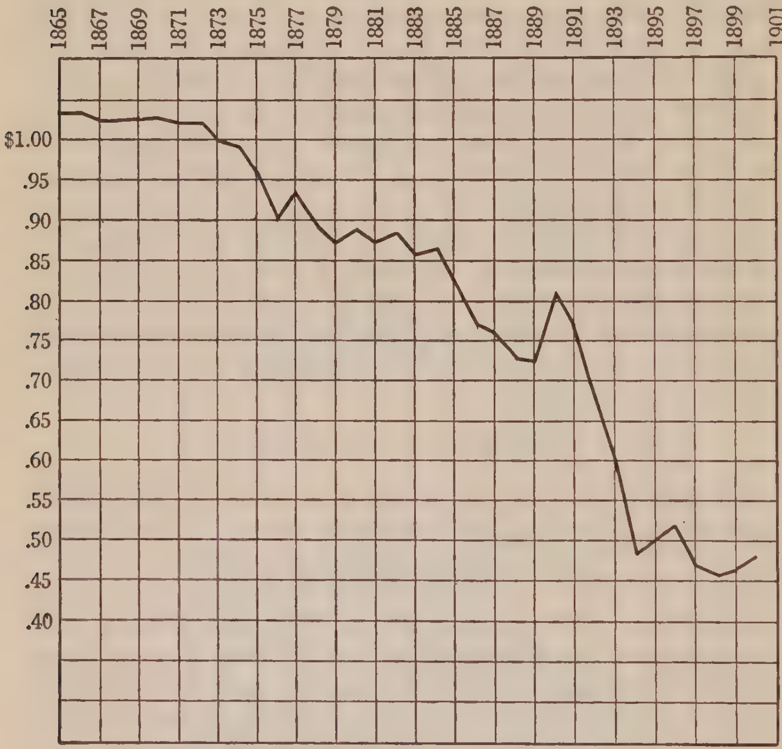
[1] Gladden, "The Embattled Farmers" in *Forum*, X, 315–6.



Bullion value of 374¼ grains of pure silver (the amount in a standard silver dollar) from 1865 to 1900.

ard, faced the South and West. Politically this sectionalism was seen in the old parties; section and not party determined a man's stand in monetary questions, consequently Republican and Democrat meant little or nothing on this issue. Dissension within party ranks was shown in the vague and two-faced utterances of state and national platforms. Neither party was strong enough to dare to defy a whole section of the country by coming out decisively for or against free silver.

It was no wonder then, that congress gave little heed to Cleveland's advice. On the contrary silverites pushed through a bill to have the treasury issue silver certificates of small denomination. The house went farther and discussed a measure for free coinage which was defeated by a majority of only thirty-seven votes. General Weaver of Iowa, elected to the house as result of fusion between the remaining Greenbackers and the Democrats in his district, introduced the silver bill. His words expressed the sentiments not only of his own but of many a western and southern district when he said:

> When the people ask for an adequate system of finance commensurate with the wonderful energies of the nation, the banking corporations forbid it. . . . When the whole country cries out for silver, up jumps a triple power, composed of the national banks, gold speculators, and holders of government bonds, backed by all the aristocracies of Europe, and they cry out with united voice, "Oh, the silver dollar is a dishonest dollar, it is only worth eighty cents!"

The Tariff and the Surplus

There was scarcely more party solidarity on the tariff than on silver, yet even here the absence of unity showed how little political alignment meant when it came to economic issues. The Democrats had a good working majority in the house but the tariff split it in two factions: one, headed by Roger Q. Mills of Texas, the chairman of the house committee on ways and means, stood for a reduction of duties, although not necessarily to a bare revenue basis; the other was led by Samuel J. Randall of Pennsylvania, who was as good a protectionist as any Republican. Between them there was little hope of securing any legislative action, particularly since the senate, with a Republican majority, could kill any measure which might get through the house. Mills did introduce a tariff bill but no action was taken upon it.

Meantime, as imports began to grow again, government receipts were once more exceeding expenditures and something had to be done more nearly to equalize them. Randall's solution was to use any surplus, above the reserve of $100,000,000 for redemption of United States notes, to purchase not less than $10,000,000 of United States bonds a month. The fact that bonds would have to be bought at a premium made such a solution as unscientific a piece of public financiering as could be imagined, nevertheless a resolution, somewhat amended in the senate, incorporated Randall's suggestion. Cleveland vetoed it because he believed it unnecessary and was "unconvinced that its mere passage and approval at this time may not endanger and embarrass the successful and useful operations of the Treasury Department and impair the confidence which the people should have in the management of the finances of the Government." Other schemes for reducing the surplus met executive disapproval. The president vetoed nearly one hundred private pension bills, as well as several measures making appropriations for public buildings. Each veto drew the anger of some congressman and weakened the support the president might legitimately count on.

CONSTRUCTIVE LEGISLATION

There was some constructive legislation which successfully ran the gauntlet of party and sectional opposition. The interstate commerce bill was threshed over in both houses, although its passage did not come until the following short session. The question of presidential succession came up again. On November 28, 1885, Vice-president Hendricks died, creating a situation similar to that of 1881. Because there was no speaker of the newly chosen house and there would be no president *pro-tempore* of the senate till December 8, Mr. Cleveland did not attend the Hendrick's funeral, although this caused much adverse comment and some said that Cleveland intentionally affronted the democracy of the West. The unsatisfactory situation was relieved by the Act of January 19, 1886, whereby it was provided that the succession should pass from the vice-president to the members of the cabinet. The law not only guarded against any reasonable possibility of a vacancy in the White House, but was calculated to maintain the same political alignment through the four years. Another essentially non-political act was the repeal of the remnant of the tenure of office act. The warning about the navy was answered by a bill providing for building a small number of modern vessels, for nearly every warship then in commission was a relic of the Civil War and hopelessly out of date as a fighting machine.

After the adjournment of congress the marriage of President Cleveland to Miss Frances Folsom attracted wide attention. Cleveland had been subjected to closer scrutiny than any president who had before been in office, and this romantic affair gave newspaper reporters an opportunity to write reams for the delectation of a curious public. Some of the devices to secure news annoyed the president extremely. Another nonpolitical event which centered attention upon the president occurred in November, 1886, when an honorary degree was conferred upon him by Harvard University in the course of a celebration of the two-hundred and fiftieth anniversary of the founding of that institution.

Just before this the congressional elections of 1886 took place. The Republicans had hoped that Cleveland's acts would have rent his party in such manner that the Democratic majority in the lower house would be overturned. But such was not the case, for, while a few seats were lost, the president's party retained a majority. The Republicans maintained their control of the senate.

In December Cleveland devoted a considerable portion of his message to the tariff, on which he believed his party had taken a definite stand and was under obligation to do what it could to lower the schedule of duties. Being a short session, however, and with the interstate commerce bill still pending, nothing was done. Along with the passage of the interstate Commerce Act went one other constructive measure. This was the Electoral Count Act, approved February 3, 1887, which provided that each state must by its own laws settle any contest over electors, and that congress should accept such determination without attempting to go behind the returns. Whenever there was but one electoral ticket from any state it could be rejected only by concurrent action of both houses; if there were two or more returns, congress should accept as the legal ballot only that of electors "whose title as electors the two Houses acting separately, shall concurrently decide is supported by the decision of such State so authorized by its laws. . . . But if the two Houses disagree . . . then, and in that case the votes of the electors whose appointment shall have been certified by the Executive of the State under the seal thereof shall be counted." This act removed any reasonable possibility of another situation like that in 1877.

CLEVELAND'S UNPOPULARITY

The president's penchant for using the veto, so liberally exhibited with the first session of the forty-ninth congress, was no less in evidence in the session of 1886–7. He disapproved of a stringent anti-polygamy bill which was calculated to check plural marriages in Mormon communities by making polygamy a criminal offense. Congress passed the bill over the veto. Private pension bills were subjected to careful scrutiny and many a one went back to the house where it originated with a pertinent and sometimes caustic veto message. On the eleventh of February Cleveland brought down upon his head the wrath of the Grand Army of the Republic by his veto of the Dependent Pension Bill which would allow a dole of twelve dollars a month to every discharged veteran who had served a minimum of three months and who was dependent on his own labor for support; a like amount was to be paid to dependent parents of deceased soldiers who, if alive, would have qualified for the pension. "Enemy of the veterans" and "Confederate sympathizer" were some of the mildest terms applied to Cleveland. The veto was not wanting in defenders, but this did not dissipate the anger of the G. A. R., and of course it made political ammunition for the Republicans.

Following close upon the heels of this veto came, just after congress adjourned, another episode which added to the indignation of not only the G. A. R. but many a man to whom the events of the war were still fresh. Certain Union flags, recaptured from Confederate forces, and some Confederate flags taken in battle were held by the War Department. It was suggested that these flags should be returned to the states from which the military units had come. Cleveland approved the suggestion and preparations were made for handing them over to the respective governors. As soon as the public had wind of the affair resolutions and protests began to pour in. General Drum, who was the author of the suggestion, Secretary of War Endicott, and the president all came in for the most severe criticism. Cleveland himself became convinced that he had gone beyond his authority and rescinded the order but the matter was not closed. The Grand Army, about to meet in annual convention at St. Louis had invited his presence, but so hostile was the general attitude that he withdrew his acceptance, saying, "The threats of personal violence . . . are not considered. Rather than abandon my visit to the West and disappoint your citizens, I might, if I alone were concerned, submit to the insults to which, it is quite openly asserted, I should be helplessly subjected if present at the encampment; but I should bear with me there the people's highest office, the dignity of which I must protect."

During 1887 the independents who had supported Cleveland in the election of 1884 and civil service reformers began to criticise the president severely. The Civil Service Commission had been reorganized by the appointment of men who were acceptable to the most rigid reformer, and Cleveland had personally attempted so far as it lay within his power to observe the spirit of the law. However, no president has an opportunity to deal personally with more than a small portion of the appointments, and in some departments there had been numerous changes. Moreover some Democratic senators, especially from the South, were hostile to the notion of a reformed service, and even went so far as to attempt to prevent appropriations for the commission. Stung by the hostility within his own party the president had taken his hands off and allowed things to work out themselves. This relaxation was the opportunity for Assistant-Post-Master General Adlai E. Stevenson, a spoilsman of the old school, to sweep Republicans out of office.[1]

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[1] According to a list laid before the senate by Mr. Hale of Maine 40,000 out of 52,609 fourth-class postmasters had been changed, 2,000 of 2,379 presidential postmasters, 32 of 33 foreign ministers, 100 of 111 collectors of customs, 84 of 85 collectors of internal revenue, 65 of 70 district attorneys, and many others. It must be recalled that none of these officers were as yet in the classified service so that there was no breach of the letter of the Civil Service Act. Years after Cleveland said to a friend:' 'You know the things in which I yielded; but no one save myself can ever know the things which I resisted."

Another disadvantage against which President Cleveland had to contend was the opposition of many of the influential newspapers of the country. He was no lover of these organs in themselves, partly because of the attitude which had been taken in his campaign; and the notoriety which they had given his marriage did not remove his dislike. He took no pains to ingratiate himself with the correspondents who reported Washington news. When he received the honorary degree from Harvard he revealed his feelings when he spoke of "the silly, mean, and cowardly lies that every day are found in the columns of certain newspapers, which violate every instinct of American manliness, and in ghoulish glee desecrate every sacred relation of private life." Had it not been that the independent *World*, recently purchased by Joseph Pulitzer, pretty consistently upheld Cleveland he would have had no important paper in New York behind him. All newspapers of course did not join in the abuse or ridicule, and some of the most influential in the country gave him the support which most of his acts deserved.

The Tariff and the 1888 Campaign

When the fiftieth congress met in December, 1887, it was taken completely by surprise to find that the annual message was entirely given up to a discussion of the tariff. The president called attention to the surplus piling up in the treasury; he emphasized the temptation to extravagant and foolish expenditures; he pointed out that a whole people was being taxed to assist certain protected industries which either needed no protection or which could maintain themselves against all competition with smaller duties. He argued that of the 17,000,000 engaged in all kinds of industries not over 2,623,000 were helped, directly or indirectly, by the system. The farmer, he stated, manufactured nothing but was forced to pay the increased price "which the tariff imposes upon every agricultural implement, upon all he wears, and upon all he uses and owns, except the increase of his flocks and herds and such things as his husbandry produces from the soil." Wool, which alone among agricultural products was heavily taxed, was produced in limited quantities, while the whole country was saddled with high priced woolen goods.

His conclusion was that a considerable number of the 4,000 articles upon the dutiable list could be placed upon the free list without material loss of revenue or affecting American industries. "The taxation of luxuries presents no features of hardship; but the necessaries of life used and consumed by all the people, the duty upon which adds to the cost of living in every home, should be greatly cheapened." Theories of protection and free trade, he asserted, gave no help in solving the problem for it was "a *condition* which confronts us, not a theory." On the eve of a presidential election such a message was considered highly dangerous, but according to the president it was "more important to the country that this message should be delivered to congress and the people than that I should be elected President."

Since the senate was controlled by Republicans it was out of the question to obtain a new tariff law, but it was possible to get a fairly clear-cut issue if Cleveland's party would stand behind him. And in the end this is what his party did. The chairman of the house committee on ways and means, Roger Q. Mills, brought in a bill which corresponded reasonably to Cleveland's desires. Wool was placed upon the free list. Numerous reductions, averaging about seven percent on all schedules, were introduced and the bill passed by a strict party vote despite the opposition of a few protectionist Democrats like Randall. In the senate the Republicans brought forward their substitute as a rider to another bill and proposed to cut in two the duty on sugar and abolish entirely internal taxation. The Democrats derisively claimed that while they were willing to put wool on the free list the Republicans were for free whiskey and free tobacco. The Republican reply was that their opponents stood ready to sacrifice American industries on the altar. The debate in both houses was hot, but speeches were delivered more with the intention of attracting the attention of constituents than of convincing congressional opponents. The whole thing was staged to influence the approaching campaign and election.

The Democratic convention met at St. Louis on June 5, 1888, and presented an appearance of unanimity which was far from revealing the true state of affairs. Cleveland was nominated by acclamation and Allen G. Thurman of Ohio was made vice-presidential nominee. Thurman was an old line Democrat, very popular in his own state and in the West generally, and his nomination was expected to swing into line the western vote and particularly that of Indiana which, as usual, was in the doubtful column. Cleveland's nomination was no sign that he was liked by the party leaders; his strength lay rather with the country at large where, despite his mistakes and failures, there was an abiding faith in his essential honesty. He was a hard money man, a gold man, and that counted for much in the East, while his tariff views met with the general approval of the West which repudiated his monetary stand.

Much of the Democratic platform was given to praise of the party and the administration and to denunciation of the Republicans and their policies. A resolution approving the Mills tariff bill linked existing revenue laws with big business by stating that "the interests of the people are betrayed when, by unnecessary taxation, trusts and combinations are permitted to exist, which, while unduly enriching the few that combine, rob the body of our citizens by depriving them of the benefits of natural competition." Approval of the Mills bill was not made a part of the platform proper but was one of three separate resolutions adopted by the convention. The other two recommended the immediate admission to the union of the territories of Washington, Dakota, Montana and New Mexico, and expressed the "cordial sympathy" of the party "with the struggling people of all nations," and especially those in Ireland. The convention dodged the monetary question and some general phrases intended to draw the labor vote avoided the issue which events of 1885 and 1886 had thrust so prominently to the fore.

The Republican convention met in Chicago on June 19. Its platform came out definitely for the "American system of protection" and attempts of the Democrats to secure lower duties were condemned. "The Republican party," ran the monetary plank, "is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic administration in its efforts to demonetize silver." The Democrats were scored for holding up bills for the admission of North and South Dakota, Washington and Montana, and Republicans promised to facilitate the admission of New Mexico, Wyoming, Idaho and

Arizona. "Opposition to all combinations of capital, organized in trusts or otherwise, to control arbitrarily the condition of trade among our citizens" was expressed, and congress and the state legislatures were advised to enact laws to "prevent the execution of all schemes to oppress the people by undue charges upon their supplies, or by unjust rates for the transportation of their products to market." The platform called for rehabilitation of the merchant marine and rebuilding of the navy; it condemned the foreign policy of the Democratic administration, "distinguished by its inefficiency and its cowardice," and especially arraigned the party in power for its "weak and unpatriotic treatment of the fisheries question." The Mugwumps were characterized as "men who abandoned the Republican party in 1884, and who continue to adhere to the Democratic party," who "deserted not only the cause of honest government, of sound finance, of freedom, of purity of the ballot, but especially . . . the cause of reform in the civil service." A vague allusion to the disturbances of 1886 was all that the platform contained on labor issues.

On the third day of the convention balloting for candidates began. There was earlier a general feeling that Blaine should receive the nomination if he desired it; but Blaine, then in Europe, had put himself out of the running by declining to have his name used, for "considerations entirely personal" to himself. With Blaine out the men most frequently mentioned in the preconvention campaign had been John Sherman, Walter Q. Gresham of Illinois, General Russell A. Alger of Michigan and General and ex-Senator Benjamin Harrison of Indiana. On the first ballot Sherman led, but as in previous conventions his delegates gradually shifted, and the support of Harrison became stronger. The eighth ballot gave him a majority,[1] and Levi P. Morton of New York was selected to balance the ticket.[2]

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[1] Sherman charged that Alger had bought over southern delegates instructed for him, and that Harrison's friends had made a bargain with a New York delegate whereby the whole delegation of that state was delivered to the Hoosier.

[2] Two other parties entered the canvass: The Union Labor party presented Alson J. Streeter of Illinois and Samuel Evans of Texas, and the Prohibitionists, Clinton B. Fisk of New Jersey and John A Brooks of Missouri.

THE POST-CONVENTION CAMPAIGN

As a whole the campaign was a quiet one; none of the personalities of 1884 were observable, and so far as was possible the contest centered about the tariff as the paramount issue. Above all other recent presidential campaigns the discussion was sober, to the point and earnest. Political prophets were completely at sea. No substantial guess, even, could be made as to the outcome, so evenly did the contest run. About two weeks before the election there came an episode which probably influenced some votes and which ruffled relations with England for a time. A man, writing over the name of Charles F. Murchison, addressed an inquiry to the British minister, Sir Lionel Sackville-West, asking him how a naturalized American citizen who had been a former British subject, ought to vote. Sir Lionel very obtusely fell into the trap and replied that, although it was not within the duties or the amenities of his position to give advice, personally he thought a vote for the Democratic party would serve England best. The correspondence was published in a Republican paper and copied over the country. Much was made of the episode as a confirmation of Republican assertions that the Mills bill was just what British manufacturers desired. The president, seeing the use made of the correspondence, called it to the attention of Lord Salisbury, the British secretary for foreign affairs, who was inclined to consider it, as it was, a trivial matter. However, the British foreign office was notified that the minister was no longer *persona grata* and his recall had to follow, but the legation was left in the hands of a *chargé d'affaires* until after the close of the administration.

The closeness of the election was shown by the fact that of the popular votes Cleveland and Thurman electors received 5,540,329 while those for Harrison and Morton had 5,536,242, although they were so distributed that Harrison had 233 electoral votes and Cleveland 168. It was another instance of a minority president and a further illustration of the defects of the electoral college system.[1] Outside the South Cleveland had the electoral

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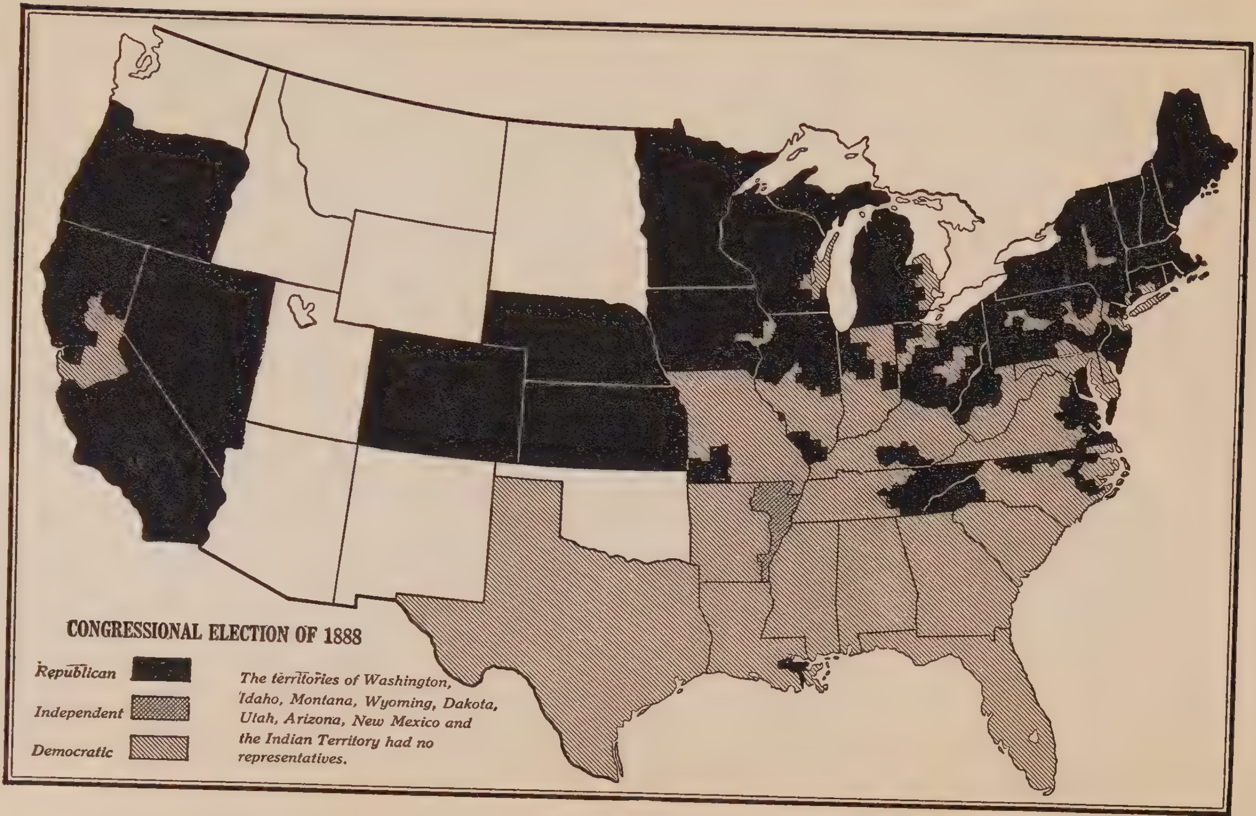
[1] The Union Labor party polled 146,935 votes and the Prohibitionists 249,500. The United Labor party, which nominated Cowdrey and Wakefield, was reported as having polled a total of 1,591 votes in the whole country. A group, calling itself the American party, with a platform reminiscent of Know-Nothing days, held a convention, nominated candidates and polled a few votes. There was a scattering vote, mostly Socialist, of 9,845.



CONGRESSIONAL ELECTION OF 1888

Republican
Independent
Democratic

The territories of Washington, Idaho, Montana, Wyoming, Dakota, Utah, Arizona, New Mexico and the Indian Territory had no representatives.

votes of Connecticut, New Jersey and Delaware, as well as those of the border states of Missouri, Maryland and West Virginia. Several Republican states were very close: New York, Ohio and even Indiana, Harrison's own state, narrowly escaped going Democratic. It was, however, a Republican victory, and since the congressional elections had overturned the Democratic majority that party might consider that it had a mandate, such as it was, to proceed with its tariff program.

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CHAPTER X

TRIUMPHANT REPUBLICANISM

Although the fiftieth congress in its last session could not be expected to accomplish much constructive work, the closing days of Cleveland's administration did bring to conclusion certain measures which had been held up for political reasons. Western territories had so grown in population during the eighties that some of them had been clamoring for admission to the union. Bills for the admission of Dakota as two states, of Washington, Idaho, Montana, Wyoming, Arizona and New Mexico, as well as of Utah, had been coming up periodically for a half dozen years. But Democrats, controlling the house of representatives from 1883, considered it unwise from a partisan point of view to admit new states which would very likely choose Republican electors in 1888. Consequently, on one pretext or another, the bills for admission of the northern territories were pushed aside. In the case of Utah the persistence of the Mormons in defying the United States government, especially on the subject of polygamy, prevented favorable action. In 1889, after the election had been lost, Democratic opposition to the Dakotas and Washington was withdrawn, and they together with Montana were admitted by a single "omnibus" bill. Idaho and Wyoming, bills for the admission of which had been rejected at the previous session, were admitted at the first session of the fifty-first congress, in 1890. The same year in Utah the Mormon Church took steps to allow the enforcement of the anti-polygamy laws of the United States, but this eleventh-hour repentance was too late to secure admission at the time, although her population was and had for a long time been ample for such advancement. Arizona and New Mexico were kept in their territorial status, principally because the Republicans believed they would probably swell the Democratic ranks.

Passing of the Frontier

The admission of these six states signified something more than additions to the family of commonwealths. It emphasized again the rapid depletion of public lands. Virtually all good agricultural land had passed under private ownership. To be sure between seven and eight hundred million acres were still held by the government, but much of this was unfit for cultivation or its natural resources were negligible or remote and inaccessible. Land laws had not been scrupulously observed, for railroads, which altogether had been granted over two hundred millions of acres, failed to live up to their contracts, and homestead and bounty lands had been alienated with scant attention to the spirit to say nothing of the letter of the law.[1] Cattlemen had pastured their herds upon the public lands; they had even fenced them and attempted to keep settlers off by force, and the protests of homesteaders had usually brought little relief. Large holdings had gone into the hands of a few persons, some of whom were British, and this had occasioned the frequent denunciation of alien ownership and absenteeism, an issue which complicated the Irish question then so eagerly followed by Americans. During President Cleveland's administration the commissioner of the general land office took steps to check this "engrossment" by having claims more carefully scrutinized and seeing whether homestead and pre-emption claims were well founded and untinged by fraud. Prosecutions were directed against some of the more flagrant cases where railroads had not lived up to their agreements. A department of agriculture was created. A mild policy of conservation was undertaken especially in connection with arid regions which might be reclaimed by irrigation.

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[1] The policy of the land grant railroads was shown by active lobbying in congress to secure favorable legislation and to avert investigation. On April 29, 1887, the New York *World*, which for two years had been urging an investigation of the relations of the government to these roads, stated in an editorial, àpropos the revelations which were made before an investigating committee finally secured by a resolution signed by Cleveland in March: "Mr. Huntington now admits, under oath, the expenditure of over $6,000,000 by his company (the Union Pacific) between 1874 and 1885 (with one year missing) for 'legal' and 'miscellaneous' purposes. He says that Franchott, his first agent at Washington, was paid $20,000 a year for his own services in 'explaining things' to public servants, and may have been given as high as $30,000 or $40,000 a year, for which no vouchers were asked or given."

Events leading up to the investigation and revelation of the activities of the officials of the Union Pacific road in particular, helped obtain the passage of the interstate commerce law in 1887.

In February, 1889, a portion of the Indian Territory was opened to settlement. All earlier efforts to do this had been defeated by the combined influence of those who believed the Indians were not receiving fair treatment and of those who had been illegally using some of this land for range. By 1890 Oklahoma was organized as a territory. Thus a long contest was settled. As far back as 1879 parties from Kansas, Missouri and Texas had entered the forbidden region in spite of President Hayes' prohibition. For several years, however, the "sooners" persisted in their attempts in face of arrest and forcible expulsion. The yielding of congress was due in part to pressure from the West, represented by such men as General Weaver of Iowa, Springer of Illinois and Mansur of Missouri. Knowledge of the activities of a powerful lobby maintained by cattle men at Washington and revelations about the administration of land laws also helped change sentiment.

President Harrison

The inauguration of President Harrison brought out the usual throng. Those who braved the rain and were near enough heard the new incumbent announce his approval of protection and condemnation of illegal practices of large business organizations which, if they "would more scrupulously observe their legal limitations and duties . . . would have less cause to complain of the unlawful limitations of their rights or of violent interference with their operations." Balm for anxious office seekers was the assertion that "honorable party service will certainly not be esteemed by me a disqualification for public office," although the president hoped "to do something to advance the reform of the Civil Service."

Benjamin Harrison, grandson of "Tippecanoe," was another civil war general. He had practiced law in Indiana and, by becoming an official reporter to the Supreme Court of Indiana, had begun to make those political contacts which brought him forward in state politics. In 1876 he was defeated for a seat in congress, but in 1880 was elected to the senate. Personally he presented a marked contrast to his predecessor. While not unknown at the time of his nomination he was virtually a "new man" in national politics. Entering the White House at the age of fifty-six he was at the maturity of his powers, a good though not magnetic public speaker, and an excellent lawyer. He was inclined to waste himself upon inconsequential details, but the responsibilities of his new position drove him from this weakness to grasp the broader problems of administration. He completely lacked the magnetism of Blaine; he was irresponsive to the point of coldness although in intimate groups he could become gracious and cordial. As one associate said, "Harrison can make a speech to ten thousand men, and every man of them will go away his friend. Let him meet the same ten thousand in private, and every one will go away his enemy." As in the case of Cleveland his personal integrity was never questioned, and this possibly had something to do with his attitude toward many who sought favors of him, for the professional politician did not attract him.

The first place in his cabinet went to Blaine, although the president could scarcely have desired such close association with the man who was so much more popular with the rank and file of the party. He had, however, no choice; Blaine could have had the nomination, and he more than any other was responsible for Harrison's selection. Blaine's appointment met the popular approval, and Blaine was, indeed, the outstanding member of a not very conspicuous or weighty cabinet. An exception, perhaps, should be made of the secretary of the navy, Benjamin F. Tracy of New York, who was an eminent lawyer and a veteran of the war. William Windom of Minnesota, the secretary of the treasury, had a long political career partly in the senate. Redfield Proctor of Vermont, a millionaire quarry owner, was made secretary of war, W. H. H. Miller of Indiana attorney-general, John W. Noble of Missouri secretary of the interior, and Jeremiah M. Rusk of Wisconsin secretary of agriculture. John Wanamaker, the post-master general, was best known as the proprietor of a great Philadelphia department store, and as a conspicuous Y. M. C. A. and Sunday school worker. During the campaign, into which he had entered heartily, he had raised a large sum of money which was turned over to Senator Quay, whose political methods were not above reproach.

It was Mr. Blaine who shone not alone on account of his previous political record but in his actual accomplishments as head of the state department. Signs that the United States was being taken more into world affairs appeared frequently during Harrison's administration. Many a knotty problem was presented to the secretary of state. Some were handled in a masterly way; some, like the seal fisheries question, brought out too much of that flamboyant "Americanism" which occasionally characterized Blaine's course. Blaine was sincere in his desire to cement more closely the bonds between the United States and other American republics, although much of his work was neutralized by the indifference of southern neighbors and by unfortunate occurrences like the Chilean episode. On the whole the state department was administered with a wisdom and a brilliancy which added much to the fame of Harrison's administration. In domestic policies, too, Blaine had a keener grasp of fundamental factors than many of his Republican associates. He opposed the tariff policy of McKinley not because he did not believe in protection, but because he saw the inevitable political results of the act. On monetary issues and in other ways he grasped the situation better than many, but he was less successful than in the foreign field in making his views effective.

THE MCKINLEY BILL

When congress assembled in 1889 there was a Republican majority in both houses. The way was open for replacing the unsatisfactory compromise tariff of 1883 with an act embodying the principles of high protectionism. Representative William McKinley of Ohio, chairman of the committee on ways and means, was a tariff expert. It is not going too far to say that he revelled in duties and complicated schedules. He was the arch priest of the "new protectionism" which hailed high duties and correspondingly high prices as economic and social advantages. Incidentally the surplus in the treasury, which had given tariff reformers a handle against the protectionists, could be attended to by making duties upon certain competitive articles so high as to be practically prohibitive and automatically reduce revenues, while a program of lavish expenditures could be counted on to do away with any residue.

As a measure calculated to appeal to all classes, to protect everything whether protection was needed or not, the McKinley bill as reported from the committee was a marvel. It protected agricultural products; it raised a tariff wall against commodities like tin-plate which were very little produced in the United States. When there came a conflict between the producer of raw material and the manufacturer, ingenious schemes to satisfy both parties were devised. Raw sugar was produced in limited quantities in the United States and refiners were clamorous for free entry, but growers of Louisiana cane and sugar beet raisers demanded a duty to stand between them and the product of Cuba and Hawaii. To satisfy both sides refined sugar was taxed and raw sugar was placed on the free list, while a bounty of two cents a pound was to be paid the native producer. This device reduced the revenue on the one hand, while the bounty took care of some of the surplus, and at the same time the two groups were satisfied. Incidentally the public might be obliged to pay a higher price for the sugar it consumed.

The "new protectionists" were in the saddle and they succeeded in carrying through the house a measure in which duties averaged higher than in any previous tariff. It put some articles not produced in the United States like coffee and cocoa on the free list. Within the Republican party some questioned the wisdom of going to such extremes: Blaine, when the measure was reported from the committee, said, in writing to one representative, "Pass this bill and in 1892 there will not be a man in all the party so beggared as to accept your nomination for the presidency." Commenting on the section purporting to protect the farmer he wrote Senator Frye: "There is not a section or a line in the entire bill, that will open a market for another bushel of wheat or another barrel of pork." He even went so far as to appear before the committee to protest against the measure and urge moderation. But all that he and the small number of moderate Republicans could do had no influence with the majority.

THE SILVER PURCHASE ACT

In May the tariff bill was passed by the house and went to the senate. Here it rested for five months, and it was not until

October that it was presented to President Harrison. The delay was caused by the silver question. Regardless of party designation and more or less indifferent to the tariff, westerners and many southerners wanted free silver, and in the senate there were enough silver Democrats and Republicans to hold a club over the representatives of eastern manufacturing interests. A bill authorizing the issuance of certificates against the purchase of silver had been introduced in the house in April, and a substitute was passed in June. While this measure was under consideration in the house another bill, framed along lines recommended by secretary of the treasury,[1] was introduced in the upper chamber by Senator Morrill in January, taken up for discussion in March, and was under consideration when the house bill was received. In June the house bill was substituted, and on the 17th an amendment, submitted by Senator Plumb of Kansas, providing free coinage, was adopted and the bill passed. When the house disagreed with the senate amendments the measure went into conference, and the report of the conference committee was accepted by the senate on July 10th and by the house two days later.

The Silver Purchase Act, sometimes referred to as the Sherman Silver Bill, directed the secretary of the treasury to purchase "from time to time, silver bullion to the aggregate amount of four million five hundred thousand ounces or so much thereof as may be offered in each month, at the market price thereof, not exceeding one dollar for three hundred and seventy-one and twenty-five hundredths grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States." These notes were to be redeemable "on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States," and when so redeemed might be reissued. They were never to exceed in amount the bullion held by the government, and they were to be legal tender for all obligations public and private, "except where otherwise expressly stipulated in the contract." Uncertainty of policy was manifest when the bill provided that "upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law." The silver purchase law was not a free silver measure, but it opened the doors of the treasury a little wider to that metal; and, perceiving that this was all that could at the time possibly be obtained, the silver men accepted it as a step in the right direction. Their clearly stated purpose of preventing the passage of the McKinley bill until they received some satisfaction had forced the eastern men to yield.

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[1] The secretary proposed the issue of treasury notes "against deposits of silver bullion at the market price of silver when purchased, payable on demand in such quantities of silver bullion as will equal in value, at the date of presentation, the number of dollars expressed on the face of the notes at the market price of silver, or in gold, at the option of the Government, or in silver dollars at the option of the holder." The secretary recommended the repeal of the "compulsory feature of the present coinage act."

Having failed to secure modifications in the tariff act in the house, Blaine tried to have the senate incorporate some provision to promote closer economic relations between the United States and Latin America. In form he succeeded to a limited degree. The senate added a proviso by which the president was authorized, whenever any nation discriminated against the products of the United States, to increase by twenty-five percent the rates on goods imported from such country. This provision did not favor Latin America states, nor was it really a reciprocal arrangement. It was a punitive measure to afford the administration a club to hold over such nations as Germany and France where discriminatory legislation was passed to keep out certain American meats and other food products on the ground that packing methods did not ensure a wholesome and sanitary product. The Republican *magnum opus* was finished. For good or ill the "new protection" was law. Yet, even before its passage, ominous protests were heard all over the country. In the West where relief from the extortions of protected manufactures had been called for there was a feeling that the protection given agricultural products was illusory; they had asked bread and had been given a stone. The grudging extension of silver coinage was looked upon as a sop. Prices of manufactured articles began to rise as merchants hastened to guard against the future increases. It was charged that the Democrats, who were not too cast down by what they saw was going to prove a boomerang, encouraged the natural course of events. Tin peddlers went about the country charging fifteen cents for articles which formerly cost ten, and, when asked the reason for the sudden jump, said that it was the fault of the Republican tariff.

Congress showed that the grumbling against large-scale organizations had been heard. In the last session of the fiftieth congress several bills intended to deal with big business had been introduced but nothing came of them. In December, 1889, Senator Sherman introduced a bill which declared unlawful "trusts and combinations in restraint of trade and production." Somewhat amended it was reported out of the committee on finance, debated, and referred to the committee on the judiciary which brought in a substitute which the senate amended and passed on April 8. In the house the senate bill was revised to render unlawful "every contract or agreement entered into for the purpose of preventing competition in the sale or purchase of a commodity transported from one state to be sold in another." Neither house would yield and the product of a conference committee was the so-called Sherman Anti-trust act. This act, signed by the president on the second of July, 1890, took a place in popular estimation beside the interstate commerce act of 1887, although the latter had already been shown to be virtually ineffective. Some realized that the law had only put in statute form a principle of common law; others were sceptical about the possibility of getting the courts to impose its drastic penalties. The act did, however, somewhat placate resentment which was heightened by the revelations of numerous investigations, especially by that of a committee authorized by the senate at the 1888-9 session. In a sense the anti-trust law was a blind striking at a new and little-understood phenomenon. People brought up on the doctrines of Adam Smith and the classical school of economists felt that the only remedy for the evil lay in restored competition. It required many more years, while the monster grew and apparently thrived on hostile legislation, for people to realize that, with all its evils—real, potential and imaginary—the new thing was a natural growth and that it had come to stay. The cure was not in killing the beast for, like the Hydra, when one head was struck off, two grew in its place.

Partisan Legislation

The fifty-first congress, despite the generally non-partisan character of the silver and anti-trust laws, framed most of its major legislation in the same spirit in which it had thrust through the tariff act. One proposition which peculiarly roused partisan spirit harked back to the days of reconstruction and was calculated to strike a vital blow at the Democrats as a party. It was an open secret that the South was "solid"; there the Republican party was a minor organization battening upon federal patronage when Republicans controlled the central government. A practically solid Democratic delegation appeared in congress from south of Mason and Dixon's line, and the electoral vote in presidential elections was overwhelmingly Democratic. The fourteenth amendment, however, allowed congress to decrease a state's representation in the lower house in proportion as adult male citizens were deprived of the right to vote. This punitive clause had never been put into effect, although there had been many threats to do so. Neither had there been an interference in local affairs of the South under the fifteenth amendment after the emasculation of the force acts in 1879. But the Democratic party was no longer the outlaw of Copperhead days, and Republicans believed drastic measures must be taken. Mixed with this purely partisan view was, undoubtedly, a feeling that the Negro would never be placed on a full legal and political equality with the white man unless the latter was restrained by federal intervention.

The Republicans started upon a program of reimposing the restraints of reconstruction days, and a bill, calculated to provide federal supervision of congressional elections and to protect, by military force if necessary, every legal voter, was introduced in the house. The Democrats fought its passage by every parliamentary device. They made dilatory motions, stayed away from sessions, and demanded interminable roll calls. Finally the Republican leaders forced the adoption of new rules whereby the speaker could refuse to entertain motions obviously intended to delay action, and to "count a quorum"; that is, to count as present those physically in the hall even if they did not respond to their names. Thereupon the house was torn as it had seldom been. Day after day Speaker Reed sat immovable while he was assailed by a torrent of abuse. Whenever there was a lull in the endless motions, speeches and disordered talk a roll call would proceed, a quorum would be announced and business would go on, for when members were counted and tried to leave the hall they found the doors locked. No other measure called for such exercise of discretion, good nature and aplomb on the part of the speaker as did the Federal Elections Bill which was finally passed and sent to the senate.

In the upper house a group of Democrats and Republicans, mostly silver Republicans from the west, united to prevent the force bill from holding up all other legislation. Along in the summer the Democrats together with eight Republicans voted this bill out of its place on the calendar in order to proceed with the silver bill, and thereafter no hope of its passage during that session was entertained in spite of an attempt to shut off debate by a closure rule introduced by a Republican. At the following short session another attempt to pass the measure was made but it was eventually dropped. The reason for this came from the fact that opinion in the north, even among Republicans, was divided. Moreover, congress had helped promote a World's Fair in Chicago to celebrate in 1893 the discovery of America by Columbus. Several of the southern states in a more or less official way announced their intention of taking no part in this if the force bill should be passed and this touched on the raw a large element in the northwest which was bending every effort to make the occasion a great success. It was also true that a revival of sectional controversy was seriously interrupting business, and in 1890 and 1891 premonitions of future trouble were too unmistakable to permit any new element of discord.

"Czar" Reed's use of the powers which the house had placed in his hands had much to do with some of the other legislation which this congress put on the statute books. The Dependent Pension Bill, which Cleveland had vetoed, was revived and shoved through. The admission of Idaho and Wyoming which, it was felt, would add to the Republican electoral vote in 1892, probably would have been delayed but for strong arm methods. Even the silver bill, which the Republican senate had swallowed, was saved in the house by the new rules.

Extension of Federal Control

Other legislation of this session included a meat inspection law, an anti-lottery bill and the original package act. Each one of these demonstrated further the distance which had been traveled since the days of Jefferson or even of Buchanan. State lines were becoming dim with age, and the elastic clause of the constitution, particularly in combination with the paragraph giving congress power to regulate commerce among the several states, was being stretched as it had never been before. The anti-lottery bill grew out of the survival of the Louisiana lottery which had been chartered in 1868 by a carpet-bag legislature. Its unscrupulous methods roused the keenest indignation and practically all the states had outlawed it. But in spite of state laws the lottery, through the mails, penetrated every nook of the country. Other lottery companies, mostly of foreign ownership, also gathered a rich harvest from the gullible public. Nation-wide attention was attracted when, in 1885, Alexander K. McClure, editor of the Philadelphia *Times* which had long been fighting the lottery companies, was arrested in New Orleans on charge of libeling the company. Then the managers were so indiscrete as to exult too soon over an expected victory in the Louisiana courts, for newspapers all over the country took up the issue. The case itself developed some extraordinary points and the lottery men finally backed down ingloriously after offering to pay all McClure's expenses. The Federal act closed the mails to the lottery, and later blocked other advertising avenues so that it was confined to Louisiana and there declined.

The original-package law grew out of the temperance movement which had brought prohibition to numerous localities, but into which liquor continued to be shipped from outside. The Wilson act, as it was called, resulted directly from a rule of the Supreme Court which denied to a state the power to restrict importation of legitimate articles of commerce, including liquors, and provided that after intoxicating beverages were taken into a state they should be subject to local law.

This congress lived up to its promise of reducing the surplus. Not only was the dependent pensions act, anticipated to cause the expenditure of from $150,000,000 to $200,000,000 per annum, intended to reduce this troublesome thing, but liberal appropriations for the world's fair, and generous ones for rivers and harbors, public buildings and other works made further inroads. The navy was liberally treated. Altogether the sobriquet of a "billion dollar congress" was earned, for the total of the appropriations of the two sessions amounted to nearly this sum, and some $170,000,000 more than had ever before been granted by any congress, even in war time, was disposed of. Indeed, the anticipated revenue was exceeded by some millions. As a new commissioner of the pension office remarked as he assumed office, so could the country reiterate, "God help the surplus!"

Had any party in power deliberately set out to tempt fortune it is difficult to conceive what more could have been reasonably done. The session had not ended before warnings that the country would not tolerate its course were unmistakable, and when the November elections occurred the rebuke which had been so boldly invited was administered in a decisive way.

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For any time in the last quarter of the nineteenth century and after this there is a growing volume of periodical literature. In addition to the standard magazines the periodicals devoted to news and comment become increasingly valuable. Among them may be noted the *Nation*, the *Outlook*, the *Review of Reviews*, the *Literary Digest*. Such specialized publications as the *Quarterly Journal of Economics*, the *Journal of Political Economy*, and sometimes the *Political Science Quarterly* and the *American Political Science Review* contain articles on finance, business and the like.

CHAPTER XI

THE COMING OF POPULISM

"There is no doubt but that the vote of Tuesday was a rebuke to Reedism, McKinleyism, and Quayism," was the verdict expressed in an editorial in the *Springfield Republican* on the morning of November 6. In no other way can the landslide which wiped out the Republican majority of the fifty-first congress in the congressional election of 1890 be interpreted. The polling took place at a time when the resentment against the McKinley tariff was at its height after a campaign in which many Republican leaders like McKinley, Lodge, and Secretary Blaine took the stump in a vain attempt to turn the avalanche. Instead of a Republican majority in the house, the fifty-second congress would have 235 Democrats, 88 Republicans, and 9 Independents.[1] The senate Republican majority was cut from fourteen to six, and two Independent senators gave tangible evidence of the agrarian protest.

THE ALLIANCE MOVEMENT

The silver issue, concentration of industry, interrelation of monied interest and big business finally crystallized the widespread unrest, particularly agrarian discontent, into political action. As the Granger movement declined, new organizations were appearing. In 1874 there was formed in Lampasas County, Texas, a secret society for the purpose of combating horse-thieves and land sharks. Similar groups organized in the surrounding counties and in 1878 joined in a Grand State Alliance which lasted only a year. The idea was revived in another part of Texas and a new non-political alliance grew so rapidly that by 1886 there were over three thousand local lodges associated in a state organization. At the annual state meeting of that year resolutions were adopted setting forth a number of "Demands." Land legislation, laws to check dealing in futures, free coinage of silver, greenbacks, labor legislation, and an interstate commerce law were called for. Fearing that this was the beginning of agitation for a new political party a number of members withdrew to organize a rival association. Another state meeting was held in January, 1887, and the constitution was modified to state that the Alliance was non-partisan and its purpose was to bring about the "education of the agricultural classes in the science of economical government." Later the order amalgamated with the Farmers' Union of Louisiana under the name of the National Farmers' Alliance and Co-operative Union of America. Organization in other southern states followed and at a general meeting in October, 1887, delegates from nine states were present. The Agricultural Wheel organized in Arkansas in 1882, amalgamated with other groups, spread into other states and in 1886 helped launch the National Agricultural Wheel which, in 1887, claimed a membership in eight southwestern states of half a million. In December, 1888, the National Wheel and the National Alliance and Farmers' Union, met in convention at Meridian, Mississippi, and consolidated as the Farmers' and Laborers' Union of America.

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[1] Altogether there were 44 members of the house who were known as Alliance men, although only nine were labelled as the selection of Independent parties.

In the northwest there was a similar movement. From a movement started in Cook County, Illinois, grew the National Farmers' Alliance, or the Northwest Alliance as it was generally called. From the beginning this group believed in political action. Its object was "to unite the farmers of the United States for their protection against class legislation, and the encroachments of concentrated capital and the tyranny of monopoly, . . to oppose, in our respective political parties, the election of any candidate to office, state or national, who is not thoroughly in sympathy with the farmers' interests; to demand that existing political parties shall nominate farmers, or those who are in sympathy with them, for all offices within the gift of the people, and to do everything in a legitimate manner that may serve to benefit the producer." Its constructive program was much like that of the Southern Alliance, although it placed less emphasis on co-operative undertakings. Resolutions drawn up at this annual convention of 1887 amounted to a political platform. They included a demand for free coinage of silver and issuance of "all paper money direct to the people." Railroad regulation was to be a step toward "the ownership and operation by the Government of one or more transcontinental lines." Government ownership of telegraphs, improvement of waterways, increased industrial and agricultural education, and popular election of senators were urged.

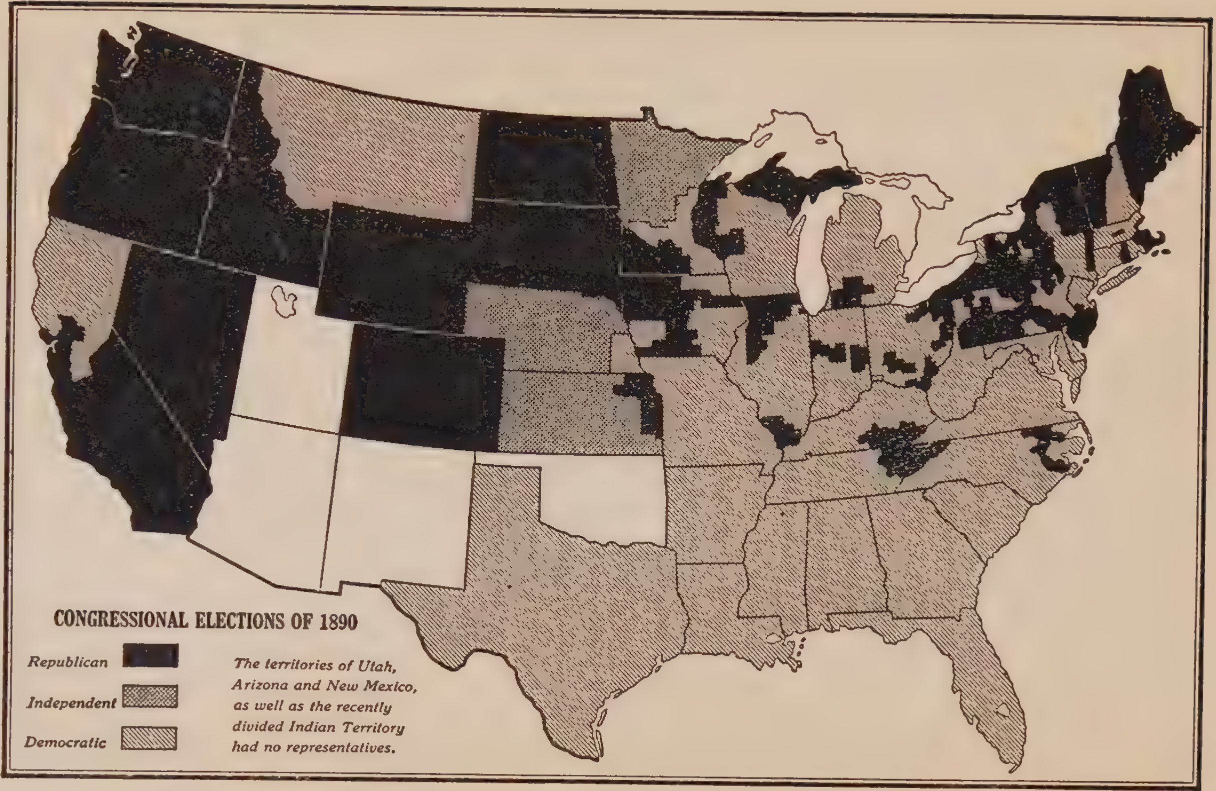
Such organizations were bound to affect the political situation. Non-partisan, they strove to work through existing parties by trying to elect men who would support their views. Minority parties were able to augment their strength by nominating men with Alliance principles. In the South the Republicans tried to please the farmers and in the West the Democrats did the same. In several southern states combination of Alliance men and Republicans shook to the foundations the entrenched Democratic organization, as in South Carolina where the "upstarts" in the early nineties astounded the people of the state and even of the nation by putting Ben Tillman in the United States senate to fill the seat held for so long by General Wade Hampton. Labor and farmers' organizations tended to draw together once more. The Union Labor party which organized in Cincinnati in February, 1887, drew in agrarian as well as labor elements. It was able to get some candidates before the people in the local elections of 1887, and in 1888 nearly all the western and some of the southern states had separate Union Labor tickets. While the whole movement had its origin in labor circles the vote in 1888 showed that the principal support was in the regions where the Greenback Labor party had been strongest. Indeed there is some reason for saying that the Union Labor party was but the Greenback party under another name. Such manifestations, however, gave little indication of Alliance power, for most of its adherents still clung to the old parties in national matters, and in state politics preferred to dicker with minority groups and individual candidates.

In 1890 the tide of political revolt was rising fast. In the South three governors, one United States senator and thirty congressmen, nearly all labelled "Democrat," were elected as a result of Alliance activity. In Illinois, Indiana, Iowa, Minnesota, Kansas and Nebraska forty-four Democratic and Independent and eighteen Republican congressmen were chosen to replace forty-four Republicans and fifteen Democrats. In Missouri Democrats were chosen by the aid of the Independents. All sorts of combinations, official and unofficial, had broken old party lines so that they were scarcely recognizable. Even in the eastern states, where the Alliance movement had made no headway, hidebound Republican commonwealths had gone Democratic; Massachusetts chose a Democratic governor and seven congressmen. In New York City, Tammany drew from Republicans many a vote as a protest against Boss Platt, elected a mayor and filled the other municipal offices. One of the outstanding features of the election was the involuntary retirement of many congressmen. Of prominent Republican leaders only Speaker Reed and Lodge of Massachusetts were returned; in each case, however, with decreased majorities. McKinley failed to obtain re-election, partly as a result of redistricting the state, and Joseph Cannon was rejected by his constituency in Illinois.

In spite of their success in securing individual offices both the Southern and the Northwestern Alliances by 1890 were becoming political organizations. In Kansas, Nebraska, South Dakota, Minnesota, Michigan and Indiana, independent coalition parties were formed. The Southern Alliance effected at the Ocala meeting (1889) a merger with the Mutual Benefit Association and the Colored Alliance, and at the St. Louis convention (December 1889) framed a series of resolutions which resembled the platform of a national party. One of the planks contained an outline of the "sub-treasury" system. By this it was proposed to establish government warehouses to which farmers might bring their non-perishable products and receive, in greenbacks, government loans up to eighty percent of their market value at interest not exceeding 3.65% per annum. The Northwest Alliance also presented its demands in a similar way at a convention in St. Louis.

The People's Party

Under the circumstances it was but a short step to a new national party. After preliminary conferences, representatives of the Knights of Labor, National Farmers' Alliance, Colored Farmers' Alliance, and Farmers' Union and the Citizens' Alliance,


Republican
Independent
Democratic

CONGRESSIONAL ELECTIONS OF 1890

The territories of Utah, Arizona and New Mexico, as well as the recently divided Indian Territory had no representatives.

gathered in Washington in January, 1891, and organized the Confederation of Industrial Organizations, or Industrial Confederation. In May a conference at Cincinnati was attended by over eleven hundred delegates mostly from the middle Mississippi valley states. A call was issued for a further conference of "all progressive organizations" to meet on February 22, 1892, and a national committee chosen and given authority, "if no satisfactory coalition with other reform organizations could be effected, to call a convention of the People's party for the nomination of a President, to be held not later than June 14, 1892." What amounted to a political platform, endorsing the demands of St. Louis and Ocala conventions, was framed and adopted.

On Washington's birthday at St. Louis came the convention which launched a new national party. About all the "progressive" movements of the nation were represented, and most of them succeeded in having at least a portion of their doctrines written into a platform. The only important organization which did not obtain a plank was the Prohibition party. On the whole, however, the People's party stuck very closely to earlier Alliance demands. It did not take kindly to the notions of the Socialists, and failed to endorse Henry George's single tax.

Diverse sentiments greeted the launching of the new party. Neither Republicans nor Democrats saw the use of it, although a few individuals were inclined to believe that something was needed to stir the old parties from their lethargy and make them consider seriously the new economic issues. Party organs in the West saw more justification for the protest than did those of the East where ridicule and contempt drowned the few feeble manifestations of approbation which came from the periodicals of various liberal or radical groups. The "howlers and cranks" were denounced as dupes led by unscrupulous men compared with whom the "old Greenback leaders were honest and wise." Yet back of the scoffing there was uneasiness, for a third party, which included all the strength of the Alliance movement, contained much potential dynamite. Democrats, on the whole, were more lenient in their criticism than Republicans, for besides having sympathy with many of the protests, they realized that it was quite possible so to disrupt Republican ranks that their party would reap the benefit.

In congress the Radicals were encouraged to go on with the attempts to enact monetary legislation. Representative Bland brought in a free coinage bill which, on March 24, 1892, was side-tracked. Later, after the national conventions had met, the senate passed a similar measure but it was rejected in the house. No broad plan of constructive legislation was attempted during the long session of 1891–92, for one house blocked the other. The house Democrats passed several "pop-gun" bills relating to different tariff schedules which were rejected in the senate. The situation was somewhat analogous to that in 1888; neither party expected to effect any radical change, but each was preparing political ammunition for the coming election.

Blaine and the Republicans

The last two years of Harrison's administration were marked by much activity in foreign affairs. Secretary Blaine's policies, while not securing support when Latin American questions were involved, did harmonize with the economic development of the country. Foreign markets and supplies of raw materials which could not be obtained at home became more important with the extension of industry. Chilean nitrates, Hawaiian sugar, and many another factor which would have been ignored a few years before now figured in diplomacy. The United States was emerging from the insularity of past years, but this fact was not clear to most people. The country was approaching a parting of the ways, but there was no guide post to point the direction of progress.

Nothing indicated the chaos which had come about more than the attitude of the two old parties. In fact Populism was only one evidence that old party lines were breaking; within both Republican and Democratic ranks there was dissention, covered thinly by a name. All who believed in the restriction or abolition of the manufacture and sale of alcoholic liquors were not in the prohibitionist party; silver men were found outside Populist ranks, just as eastern Democrats and Republicans alike were predominantly in favor of the gold standard. Big business presented a problem which divided all organizations. Dawning "class consciousness" had not yet succeeded in aligning labor as a political unit, but each party made promises to attract votes from workingmen. The tariff was not affected by party affiliation when protection of any specific commodity was in question. Party platforms were calculated to be so general that they could be used to attract votes on both sides of the fence.

Furthermore, there were complications of a personal nature. Harrison's administration had failed to arouse great Republican enthusiasm, partly because the president was unable to command the unwavering personal loyalty which Blaine enjoyed. In the relations between the president and his secretary of state lay some of the causes which made party managers uneasy. In spite of their contrasting natures the two men had worked together with surprising harmony for two years, but during 1891 a number of irritating occurrences made them restive in double harness. When, for instance, Blaine was trying to straighten out the Chilean tangle the president seemed to be bent upon forcing the issue to war. The situation was further complicated when anti-Harrison leaders like Matthew Quay of Pennsylvania began to urge the secretary of state to become an avowed candidate for the presidency. In the country at large there was a growing demand for Blaine. But Blaine doubted his ability to stand the strain of a campaign and the possible four years of grinding labor as president. In the winter of 1891 his health broke down completely and he was obliged to rest for some time. Nevertheless his candidacy remained an open question until February 6, 1892, when he wrote the chairman of the Republican national committee, "I am not a candidate for the Presidency, and my name will not go before the Republican National Convention for the nomination. I make this announcement in due season." In spite of this categorical assertion rumors that Blaine might be persuaded to run continued to circulate.

The situation, then, remained in doubt as the time for the Republican convention drew near. On June fourth a thunderbolt was loosed by a curt note in which Blaine resigned his position as secretary of state. Friends and opponents alike were bewildered. Anti-Harrison delegates went to Minneapolis, where the convention was held, disturbed and uneasy; a boom for Reed had fallen flat, but no alternative candidate was forthcoming. An attempt was made to delay proceedings to gain time for new alliances. The enthusiasm which greeted William McKinley when he was made permanent chairman started a movement for him. This was carefully nursed for future use by Marcus A. Hanna, who, although not a delegate, had gone to Minneapolis to bring McKinley to the attention of the influential politicians there. The vote on a contested seat demonstrated that the Harrison forces had sufficient strength to nominate their man, and that sent waverers scurrying to cover, and when Chauncey Depew nominated Harrison, he was chosen on the first ballot with 535 votes, while Blaine and McKinley each received 182. Whitelaw Reid, millionaire editor of the *New York Tribune*, was selected for the second place.

The Renomination of Cleveland

On the surface Democrats were in a position to press their opponents hard in the campaign of 1892. But underneath things were far from rosy. Like the Republicans they were rent by personal and sectional schism. The first problem was to select a man for president who could unite, at least for the time, the pulling and hauling factions. Naturally Cleveland was thought of as a possibility, yet previous experience did not seem to favor running a third time a man who had been defeated after serving one term. Cleveland himself had appeared to drop out of politics, when, after Harrison was inaugurated, he went to New York to practise law. He took no part in Democratic councils, and he was opposed by the West on principle. Moreover, he did not have the support of many strong Democratic papers. Charles A. Dana, editor of the New York *Sun*, had for some reason become inimical to Cleveland when he was governor of New York and had, in the campaign of 1884, sacrificed half the circulation of his paper and spent much money campaigning against Cleveland and supporting General Butler. Throughout Cleveland's administration Dana had desisted from open hostility but had satirized the president whenever an opportunity offered. When Cleveland was defeated in 1888 the *Sun* made no comment, but printed upon the editorial page a whole column of selections from medical works, encyclopedias, and the like, emphasizing the deteriorating influence of obesity. When Cleveland's name began to be mentioned in connection with another nomination the *Sun* outdid itself in attacks upon the "Perpetual Candidate" and the "Stuffed Prophet."

Yet it was Cleveland himself who appeared to put a decisive end to all serious consideration of his candidacy. On February 11, 1891, the Reform Club of New York held a meeting to protest against the silver craze. When Cleveland received an invitation to speak, his friends urged him not to go and not to write anything which could in any way injure his prospects in the West. Despite the warning he wrote a letter to say, "It surely cannot be necessary for me to make a formal expression of my agreement with those who believe that the greatest peril would be invited by the adoption of the scheme for the unlimited coinage of silver at our mints." The next morning this letter was printed in newspapers from one end of the country to the other. Cleveland's opponents, Democrats and Republicans alike, exulted. He had killed himself politically. He believed so himself. But a reaction came, and Cleveland was soon recognized as the only possible Democratic candidate.

Among those who rejoiced at the outspokenness of Cleveland was another New Yorker, David Bennett Hill. Elected as lieutenant-governor on the ticket with Cleveland, he had become governor when the latter resigned to become president. Twice after that he was elected to fill the same position, and in 1891 he was sent to the United States senate. Hill typified in many respects the politics of the day: personally honest, he believed that clean politics was impossible; he used tools which he despised. So long as Cleveland was out of the way, Hill, with New York behind him, was a most logical candidate, looming far above any of the other favorite sons of the party. Governor Horace Boies of Iowa, Senator John G. Carlisle of Kentucky, Senator Arthur P. Gorman of Maryland, Senator John M. Palmer of Illinois,—none of them had such potential strength. Hill had made himself felt in national councils; he had a clear-cut tariff program which commanded the support of conservatives of his own party and which did not too much alarm the Republicans. Everything seemed to favor him until the reaction from the Reform Club letter which made it evident that Cleveland was not a political corpse. Even then absolute command of the Democratic machine in New York appeared to give Hill a well-nigh invulnerable position. In 1888, when New York gave its vote to Harrison, he had been elected governor. As his friends put it: the presidency could not be won without New York; in '88 Hill carried New York and Cleveland did not, consequently, if a Democrat was to win in 1892 it must be Hill. Hill, however, did not intend to allow any mishap to cheat him. In January, 1892, the Democratic national committee issued a call for the national convention to meet in Chicago. Within a few days the New York Committee called a state convention which chose a solid Hill delegation of 72. An "anti-snapper" convention was held later but its delegates stood little chance of being seated in place of the Hill men.

At Chicago the committee on resolutions had ample opportunity to "point the finger of scorn" at the record of the Republicans. When it came to a constructive program, however, the situation was different, except that, for the first time, the Democratic party came out with the statement that "the federal government has no constitutional power to impose and collect tariff duties, except for purposes of revenue only." The menace of trusts was adverted to, and stringent enforcement of existing laws demanded. Many generalities about labor and labor difficulties found a place in the platform. The monetary plank stated that the parity of gold and silver must be maintained, but a repeal of the ten percent tax on the issue of state banks was recommended—a distinct bid for the farmer vote of the West and South. Altogether the platform was indicative of a wider realization of new issues than any previous one had been. It did not go as far as the Populist resolutions, but it proclaimed the fact that a new spirit was rising and new men were coming forward.

After adoption of the platform the Hill faction vainly attempted to secure an adjournment until the next day. In the midst of great tumult the delegates insisted on a vote for candidates immediately. As a final effort to head off the Cleveland boom, Bourke Cockran of New York, one of the ablest popular orators of the day, made a plea for harmony and tried to convince his hearers that if Cleveland were nominated New York could not be counted on to support him. "I believe," he said, "that Mr.

Cleveland is a popular man (applause)—a most popular man (increased applause). Let me add now that he is a man of most extraordinary popularity—on every day of the year except election day! (Uproar). He is popular in the Republican states because his Democracy is not offensive to Republicans. I oppose him in this convention because his candidacy imperils the success which now comes to us with bright alluring prospects." But neither Cockran nor all the forces of opposition could defeat Cleveland. On the first ballot he received the nomination, and the next day Adlai E. Stevenson of Illinois, representing the old Democracy, was selected for the vice-presidency. When the convention was over Mr. Hill, in response to a question, replied, "Yes, I am a Democrat still. Very still!"

The Populist Convention

The People's party met in convention at Omaha on July 2. The West and the South dominated the assembly. General Weaver of Iowa, the Greenback candidate of 1880, was selected as presidential nominee on the first ballot, with the Reverend Mr. James H. Kyle of South Dakota a poor second. For vice-president James G. Field of Virginia was nominated. The Populist platform reiterated the demands of the Ocala and St. Louis conferences. Foremost among the planks was one demanding a "national currency, safe, sound, and flexible, issued by the general government only, a full legal tender for all debts, public and private." There should be, without the use of banking corporations, "a just, equitable, and efficient means of distribution direct to the people, at a tax not to exceed two percent per annum, to be provided as set forth in the sub-treasury plan of the Farmers' Alliance, or a better system." The People's party was faithful to its first love, fiat money. But free coinage of silver came next. A graduated income tax, retrenchment in national expenditures, postal savings banks, government operated railroads, telephone and telegraph systems, and ending of monopoly in land tenure, were advocated. In a series of resolutions "not to be regarded as a part of the party platform, but as expressive of the opinion of the party," the convention put itself on record as being in favor of a "free ballot and a fair count" with the Australian or some other secret system of voting, liberal pensions for ex-soldiers and sailors, and restriction of immigration. Sympathy with "the efforts of organized workingmen to shorten the hours of labor," and opposition to the use of Pinkertons in labor strife showed a mild interest in industrial questions. On the machinery of government the Populists in these added resolutions expressed their desire for the initiative and referendum, a single term for the president and popular election of United States senators.

The canvass was relatively quiet and uneventful except in the states where the silver issue made the greatest appeal. The Republicans played up the tariff issue, using the handle afforded by the free trade plank of their opponents' platform. The Democrats, somewhat inconsistently, ignored this issue especially in the East and emphasized the necessity of preventing the enactment of a force bill. The New York *Sun* gave a half hearted support to the Democratic ticket, but made as little mention of Cleveland as possible; it attempted to hide the inconsistency behind a constant iteration of "no force bill!" repeated in a dozen different ways. As in 1890 there was considerable fusion; in the South many Republicans supported Populist candidates while in the West there was a similar alliance between Democrats and the People's party. In Colorado, Idaho, North Dakota, Wyoming and Kansas, no Democratic electors were chosen, but individual Democrats voted for Weaver and Field.

When the returns were in Cleveland had carried twenty-one of forty-four states, including the "solid South," Illinois, Indiana and New York. The Republicans carried sixteen states and divided with the Democrats California and Ohio. Weaver received 22 electoral votes from five western states, brought by a popular vote of over a million. Two minor parties, Prohibitionist and Socialist, made some gains over 1888. The latter had its strength in New York where it polled 17,956, and had a scattering few in six other states.

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CHAPTER XII

POLITICS AND THE PANIC

No new man stood before the assembled thousands when Grover Cleveland pronounced his inaugural address on the fourth of March, 1893. Cleveland had steadily gained in popularity from the day of his nomination. While exasperating some of the more partisan of his following, he had more than made up for this when he refused to take what would be considered a campaign tour while President Harrison was detained at the bedside of his sick wife. He had further enlisted the goodwill of the country by taking a trip from New York in the winter after his election to attend the funeral of ex-President Hayes. Moreover, around the four years of his previous term had gathered a nimbus of glory which obscured the earlier disaffection. For the moment he was a man respected even by those who disagreed with his policies, a man whose honesty, straightforwardness, and courage were unquestioned.

The words of his inaugural were not calculated to arouse new controversy. Nothing especially novel was put forward, but his well-known stand was reiterated when he announced that "manifestly nothing is more vital to our supremacy as a nation and to the beneficient purposes of our Government than a sound and stable currency." The tariff naturally came in for consideration: "The verdict of our voters," he said, "which condemned the injustice of protection for protection's sake enjoins upon the people's servants the duty of exposing and destroying the brood of kindred evils which are unwholesome progeny of paternalism." A paragraph called attention to the "existence of immense aggregations of kindred enterprises and combinations of business interests formed for the purpose of limiting production and fixing prices" as "inconsistent with the fair field which ought to be open to every independent activity." So far as possible such combinations should be reached and restrained by the federal government. Except for the fact that everyone knew that a "stable currency" meant to Cleveland a gold standard the inaugural went no farther than the Democratic platform of the previous year.

THE PANIC OF '93

No hint of the extraordinarily unstable situation of the whole economic life in the country, and in the world, was given—no intimation that the United States was about to enter upon a period of profound business depression. The years of hectic "booming" with their speculation, their unwarranted expansion on apparently unlimited credit, were to be paid for. Three years before, American industry had felt the effects of the English panic which followed the failure of the banking house of the Barings in London, but tremendous crops in the following season had staved off lasting results because a corresponding grain shortage in Europe created an outlet for the surplus. Even the bankruptcy of the Philadelphia & Reading Railroad, which had occurred just before the inauguration, had not carried a warning. Exports for the fiscal year 1891–2 had exceeded imports by nearly two hundred millions; those of 1892–3 had become more normal when receipts exceeded exportations by some thirty-five millions, but the balance was again swinging in the other direction so that in July, 1894, the advantage was again on the side of the United States.

The push which sent the whole unstable economic edifice tumbling was in itself comparatively inconsequential. On May 5 the National Cordage Company closed its doors. This was another of the large-scale mergers calculated to bring under unified control an important industry, and so rosy were its apparent prospects that in the previous January it had declared a hundred percent stock dividend. Its hollowness was demonstrated when stock fell in a few weeks from 147, where it had been eagerly taken in February, to 10 shortly after a receivership was established. The intimate connection between all units of economic life was shown by the rapid failure of commercial houses, industrial enterprises and banks. Before the end of the year 158 national banks, 177 state banks, 47 savings banks and 13 loan and trust companies had gone under. One hundred and fifty-six railroads, capitalized at some two and a half billions, succumbed sooner or later, and within two years almost one-fourth of the railroad mileage of the country was bankrupt.

The total number of failures for 1893 was 15,242, almost five thousand more than the year before and involving liabilities of $346,779,889. Money disappeared from circulation almost over night; call rates rose to prohibitive figures. Men and business concerns with solid and substantial securities behind them were unable to obtain money to meet current expenses. Various devices were adopted to cope with the emergency; some firms issued checks against themselves which passed current in the communities where they were located. Some municipalities printed script which served as small change. Never before did such utter paralysis seize the country. One did not know from day to day whether he would continue solvent or whether the bank, to which he had entrusted his savings or checking account, would weather the gale. Henry Adams, called hastily from Europe, wrote that "men died like flies under the strain, and Boston grew suddenly old, haggard, and thin."

The most momentous question was how the government would stand the strain. Years of hand to mouth policy, of palliating the situation by yielding here a little and there a little, brought a precarious condition. In 1882 congress had provided that the secretary of the treasury should maintain a fund of one hundred millions in gold to keep some three hundred and sixty millions of greenbacks at par, as well as to provide for the redemption of silver which was steadily increasing in volume. Greenbacks, silver certificates and treasury notes of 1890 formed the greater portion of the circulating medium, but national bank notes were, to all intents and purposes, government money. J. G. Carlisle found, when he became secretary of the treasury, that the reserve was not a million dollars over the established minimum and was shrinking daily since both greenbacks and treasury notes could be used to draw out gold demanded by business transactions. When the failure of the National Cordage Company occurred and money began to be hoarded two ominous factors developed: in the first place paper was retained because it was all secured by governmental guarantee; in the second place this paper was increasingly used to draw upon the government reserve so that the minimum was soon reached. As both greenbacks and treasury notes must be re-issued there was apparently no stopping the hole through which gold poured. Some feared that Secretary

Carlisle, who was theoretically a bimetallist, would exercise his option and redeem the treasury notes in silver. About the middle of April he issued a statement intended to allay this apprehension but phrased it in such a way that uneasiness increased. Then President Cleveland himself announced that gold would be paid for the notes which came in for redemption.

Meantime Cleveland was overwhelmed by a mob of office seekers many of whom enlisted the aid of congressmen or senators. So burdensome were the importunities that on May 8, when the effects of the panic were beginning to be realized and the president was overloaded with official cares, he issued a notice to say that "the time . . . set apart for the reception of Senators and Representatives had been almost entirely spent in listening to applications for office, which have been bewildering in volume, perplexing and exhausting in their iteration, and impossible of remembrance." To reserve some time for his public duties and to conserve his strength, Mr. Cleveland requested members of congress not to see him personally in support of office seekers, and he declined to receive any more applications from aspirants who were warned that they would "only prejudice their prospects by repeated importunity and by remaining in Washington to await results." He also said that it would be impossible to receive, except at the hours set apart for the purpose, those who came only to pay their respects. Great indignation greeted the announcement, although a few approved the president's "emancipation proclamation." Owing to the press of weightier matters the president did not give appointments the attention which he had in his earlier administration. Although changes were somewhat fewer than in the Harrison administration they rose into the thousands and provoked the wrath of civil service reformers who bitterly assailed Mr. Cleveland for his dereliction. Nevertheless, Mr. Cleveland's administration closed like General Harrison's, with a greater number of offices on the classified list than there were at the beginning.[1]

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[1] It was not merely the desire of an overburdened man for time to devote to real duties that influenced Mr. Cleveland. He was afflicted with a malignant ulcer which threatened to cut short his career and his life. But if public confidence was kept no hint of the president's illness must escape. Accordingly on the day he issued a call for a special session of congress he left Washington, and on Commodore Benedict's yacht, on the first of July, had an operation to remove the infection. Not until sometime after the death of Mr. Cleve-

Prone to catch at immediate or apparent causes most people thought the Silver Purchase Act was the real basis of the depression and demanded its repeal in order to restore confidence, regulate the currency, and accelerate the slowing wheels of industry. Undoubtedly the overload of silver played a part in precipitating the panic and subsequent depression. Far more fundamental, however, was the tying up of available capital in railroads and the like. Much of the capital thus utilized would in time help create another surplus; much of it had been squandered in reckless and unproductive ventures. At the bottom of it all was lack of confidence. Taking everything together there was as much material wealth in the community as there had been before the panic but the avenues of its circulation were clogged by distrust.

People had tangible evidence of the wealth and resources of the country in the exhibits of the Columbian World's Fair at Chicago, where, on the first of May, the president formally opened an exposition which was the most stupendous affair of the kind yet held. The four-hundredth anniversary of the discovery of America had been celebrated in a notable pageant in New York harbor where representatives of the navies of the world congregated. The descendants of Columbus were the guests of the nation. After the exposition was open to the public it was visited by tens of thousands every day, not only from the most distant portions of the country, but from all over the world. Extensive exhibits demonstrated the advance which had been made in science, in technology, and in the arts since the Centennial Exposition seventeen years before. While it is possible that the prevailing depression affected the fair it was difficult for the visitor to grasp that fact when he viewed the throngs which packed the Midway Plaisance, or watched a constant stream of people pour into the buildings which housed the exhibits of foreign and domestic products, or tried to get accommodations in Chicago to rest in the intervals of sight-seeing. All told there were over 21,000,000 paid admissions, and the balance sheet showed that the fair had paid for itself even though expenditures amounted to over $30,000,000.

land did any besides his immediate family and friends learn the story of this trip on the Hudson and the details of the operation.

The Purchase of Silver Halted

On June 30 Cleveland summoned congress to meet on the seventh of August. When it assembled the president's message called attention to the disastrous effects of buying silver and paying for it in treasury notes which could be redeemed in gold. He said that the gold reserve was depleted as fast as it was filled by the sale of bonds; that not only United States citizens drew upon it, but "other and appreciative nations [added gold] to their stock." In the year ending June 30, 1893, the excess of gold exports over imports amounted to more than $87,000,000. Altogether, between July 1, 1890 and July 15, 1893, gold coin and bullion in the treasury had decreased over $132,000,000, while silver had increased by more than $147,000,000. The remedy was to stop purchasing silver.

It immediately appeared, however, that silver men were not at all convinced that repeal of the purchase act would cure economic ills, consequently it was not until the end of October that the measure was forced through by the aid of some administrative pressure. In the senate twenty-six Republicans and twenty-two Democrats voted for the repeal, while of the thirty-seven who voted against it twenty-two were Democrats, twelve were Republicans and three were Populists. The vote showed distinct sectional cleavage; eleven of the twelve Republicans who opposed the measure were from mining states, while the Democrats were largely from the South with a sprinkling of westerners. There were no votes for repeal from the states west of the Missouri river or from south of Mason and Dixon's line. The act did not establish a gold standard; it merely stopped the purchase of silver, and declared that it was "the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and interchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times on the markets and in the payment of debts." The new law did not provide immediate relief, for the government still had to maintain silver, treasury notes and greenbacks at a parity with gold. Like most earlier monetary legislation it was a compromise; it sat on both sides of the fence and attempted to perform the difficult feat of maintaining a stablilized currency and at the same time sustain at gold prices a bulk of silver which in the open market was worth only a little over half its nominal value.

The Wilson–Gorman Tariff

The panic had forced the monetary issue into the foreground whereas in the presidential campaign of 1892 the tariff had received most attention. Consequently, when, after a recess of about a month, congress reassembled in Washington Cleveland's first annual message made it clear that something must be done to remedy the eccentricities of the law of 1890. While only a small portion of the message, which was very long and considered in detail various foreign and domestic questions, was devoted to the tariff, that portion came at the very end where its emphasis would be unmistakable. No radical recommendations were made. Nothing like free trade was advocated. Indeed specific attention was called to a measure already worked out by the majority members of the ways and means committee of the house as "embodying tariff reform on the lines herein suggested." The house of representatives, with its 220 Democrats and 8 Populists as against 126 Republicans, had both the strength and the temper to respond immediately to the president's call. The Wilson bill,[1] brought out of committee at an early date, was passed on February 1, 1894, by a vote of 204 to 140. While disturbing the protective features of the existing law much less than many a man desired, its free list contained many raw materials such as iron ore, sugar, coal, lumber, fish and wool and cotton ties, and manufactured articles such as binding twine. There was no bounty for the American sugar producer. Hides were still dutiable as a concession to an insistent western demand. The more aggravated and extravagant protective duties on manufactured products were pared down, while *ad valorem* replaced specific duties in many instances.

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[1] William L. Wilson was chairman of the committee. Formerly a president of the University of West Virginia he had entered Congress in 1883.

In the senate there were 44 Democrats, 38 Republicans and three Populists. Almost immediately General Hancock's dictum was exemplified; party lines and party protestations meant nothing when a local industry was involved. Several Democratic senators were much more interested in protecting their constituents than in heeding the president's words. Most of them were content to secure what they wanted without undue publicity but two Democrats came out openly in opposition to the president and the house majority. A. P. Gorman of Maryland and C. S. Brice of Ohio were as staunch protectionists as any Republicans. By appealing to local interests they lined up the senators from the Gulf states, West Virginia, and some northern states to oppose serious reduction in rates. An able minority lieutenant was Senator Quay of Pennsylvania who threatened to talk the bill to death if his wishes were not considered. The little senate group succeeded in making six hundred and thirty-four amendments in the Wilson bill and passed their own measure on July 3 by a vote of thirty-nine to thirty-four.

The house refused to accept the mutilated bill and left the whole thing to a conference committee in which the senators had their way in nearly every dispute. A few duties were lowered, the sugar bounty was abolished, but only wool and lumber of the additions to the free list remained. Eventually the house accepted the conference report and the Wilson-Gorman bill went to the president. Mr. Cleveland was between Scylla and Charybdis; if he signed the bill he would approve a tariff differing little from the McKinley law except that it was less well balanced; if he vetoed it the McKinley act would continue to operate since it was out of the question to try to get another measure framed that session. He solved the issue by letting the bill become a law without his signature. His feelings were revealed in a letter written to a Missouri representative:

> I take my place with the rank and file of the Democratic party who believe in tariff reform, and who know what it is, who refuse to accept the result embodied in this bill as the close of the war, who are not blinded to the fact that the livery of Democratic tariff reform has been stolen and used in the service of Republican protection, and who have marked the places where the deadly blight of treason has blasted the counsels of the brave in their hour of might.

The Wilson-Gorman bill contained one bit of evidence that congress sensed a little of the unrest in the country. A rider was added to levy a two percent tax on incomes of $4,000 or more. The following year its constitutionality, in a five to four decision, was denied by the Supreme Court which maintained that it was a direct tax and, according to the constitution, must be apportioned among the states according to population. Between the first argument and the final decision one justice changed his mind and shifted the majority, hence it is not surprising that many of the public, failing to comprehend the legal intricacies of the opinion, came to the conclusion that the Supreme Court was generally found upholding the cause of privilege. This Farmers' Loan and Trust case, then, marks the beginning of one of those recurrent periods when the court was something of an object of suspicion in popular estimation.

Maintaining the Reserve

During the summer of 1894 the government's financial situation continued to be difficult. The repeal of the Silver purchase act had provided no remedy for immediate problems of the treasury department. Receipts for the fiscal year ending June 30, 1893, were less than $3,000,000 in excess of expenditures while the gold reserve was only $96,657,273 and steadily decreasing. The following year the surplus changed to a deficit of $69,803,260.58, in spite of a sixteen million dollar decrease in expenditures. Gold was still exported and the domestic drain continued so that on the first day of November, 1894, the reserve was $44,615,177.55, notwithstanding the sale, under authority of the resumption act of 1875, of fifty million dollars worth of five per cent bonds. "Nothing could be worse," said the president in his annual message of 1894, "or further removed from sensible finance than the relations existing between the currency the Government has issued, the gold held for redemption, and the means which must be resorted to for the purpose of replenishing such redemption fund when impaired. Even if the claims upon this fund were confined to the obligations originally intended and the redemption of these obligations meant their cancellation, the fund would be very small. But these obligations when received and redeemed in gold are not cancelled, but are reissued and may do duty many times by way of drawing gold from the Treasury." Congress, however, showed no disposition to relieve the situation. By February, 1895, the reserve fell below forty-two millions. Determined not to redeem paper in silver and abandon a gold basis, the president and two cabinet members, Olney[1] and Carlisle, consulted with J. P. Morgan of Drexel, Morgan and company. Morgan's earlier suggestion to Olney, that bonds could be sold under authority of the act of 1862, was followed, and a contract was made with his bank and with August Belmont and company to sell sixty-five million dollars worth of four percent bonds for $65,116, 244.62 in gold. The contract allowed the government, if congress would act within ten days, to substitute 3% gold bonds at par. Furthermore the syndicate, backed by the London houses of Morgan and Rothschild, agreed that half the gold should be obtained abroad, and it would use its influence to prevent withdrawals from the treasury.

Again Cleveland asked congress for authority to sell three percents, and again congress failed to act. On the contrary, both in congress and out, the administration was attacked as a creature of New York and London bankers engaged in binding America more closely with chains of gold forged in Wall Street and in London. The government went ahead with the original scheme and sold the bonds at 104½ to the syndicate which offered them in the open market at 112¼. To the surprise of all the whole amount was oversubscribed in a few hours, whereupon criticism grew into abuse and the whole transaction was stigmatized as another illustration of the evil coalition between government and money powers. If these securities were so disirable, said the critics, why were they not offered directly to the people, thus saving thousands of dollars and preventing the bankers from profiting at the expense of an already over-burdened people? It was generally conceded that Morgan's bargain was hard, and the president may have erred in taking this particular method to save the country from a silver standard, but the abuse which was heaped upon him and the charge that he was party to a corrupt bargain was as unwarrantable as any criticism ever meted out to a man in high official position. In December, 1895, Mr. Cleveland truthfully stated to congress that "the performance of this contract not only restored the reserve, but checked for a time the withdrawals of gold and brought on a period of restored confidence and such peace and quiet in business circles as were of the greatest possible value to every interest that affects our people." The country was on the verge of bankruptcy and a few thousand dollars was a small price to pay for its prevention. It was ten months before more bonds had to be sold. Then, in January, 1896, one hundred millions of four percents were taken by the public at a price averaging 111. The money was urgently needed, for gold in the treasury had again shrunk to between forty-four and forty-five millions. After this the reserve was maintained without such drastic remedies.

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[1] Richard Olney was attorney-general. In June, 1895, he became secretary of state upon the death of Judge Gresham.

Labor Controversies

With their financial problems 1894 and 1895 were indeed "troublous and anxious years." But even with these the administration's cup was not full. When, in May, 1893, the panic had stopped the wheels of industry, labor disturbances increased. It was not, however, until the spring of 1894 that the full effects of depression were felt. In May the Pullman Palace Car company reduced the wages of its employees, who in the previous March had organized and affiliated with the American Railway union which, under the leadership of Eugene V. Debs, had already established 465 locals with membership of 150,000. On the eleventh of May some of the Pullman workmen struck. A month later came a sympathetic strike on the railroads centering at Chicago and the roadmen refused to handle trains which carried Pullman cars. Gradually the movement spread, particularly toward the west. This demonstration was an "out-law" strike, for neither the American Federation of Labor nor the great Railway Brotherhoods gave it official sanction. The strikers were joined by many of the rougher and idle classes which fomented much of the subsequent disorder. Cars were burned, engines overturned and other deeds of violence perpetrated which caused in the country as a whole property damage to the amount of more than $80,000,000.

The president had watched the growing disturbance with anxiety, and, backed by the opinion of Attorney-General Olney, determined to interfere. On the ground that the mails were obstructed and interstate commerce impeded, United States marshals were directed to preserve order, and an injunction was issued by a federal court forbidding the president of the American Railway union and other officials to interfere with transportation of mail. When marshals and local authorities were unable to check the disturbance, two thousand federal troops were sent to Chicago and order was gradually restored. The governor of Illinois, J. P. Altgeld, protested against the use of the regular army on the ground that the constitution allowed federal interference only on the call of a state legislature or governor. Governor Altgeld's sympathies were with the strikers, and he believed that federal interposition lessened their chances of success. While Governor Altgeld had the support of some small factions throughout the country, there is no question that the weight of public opinion was on the president's side, and his course was approved. A proclamation of July 8 warned all persons to desist from "aiding, countenancing, encouraging, or taking part in such unlawful obstructions, combinations, and assemblages," and preparations were made to send more troops. By the twentieth of July peace had been so far restored that the troops were withdrawn and the maintenance of order left to local authorities. In the meantime Debs urged continuing the strike. He was, consequently, arrested for contempt of court in disregarding the injunction. Later he was tried under an indictment brought under the fourth section of the Anti-Trust Act and sentenced to six months in prison, and the Supreme Court refused to reverse the decision. While government intervention to prevent disorder met with wide-spread approval, use of the injunction as an instrument in labor disputes was less favorably viewed, particularly by many able jurists. This use of the writ, it was felt, tended to remove the old safeguards of indictment and trial upon the merits of the case in a special kind of controversy. Organized labor made much of this point and fought the injunction in labor disputes.

THE ARMIES OF THE COMMONWEAL

The depression brought spectacular demonstrations other than strikes. One of these was the march of Coxey's army from Masillion, Ohio, to Washington. Jacob S. Coxey was a small business man who believed that congress could alleviate existing distress and eventually restore economic stability by a large issue of "non-interest bearing bonds" to finance various undertakings, such as building and improving roads. Thus, he contended, thousands of unemployed could have work, other forms of industry would be stimulated, and the increase of money would remove other obstacles to improved business conditions. Coxey expected that his "Army of the Commonweal of Christ" would receive hundreds of recruits on the way east and would be supported by voluntary contributions from the communities through which it passed. In both expectations he was disappointed. While the country at large uneasily watched the progress of the forlorn little group, the recruits were few and people along the line of march cold if not hostile. The "army" reached Washington, after an orderly progress through Ohio, Pennsylvania and Maryland, on the first of May, 1894. There, after marching through the streets, the group started for the Capitol where its leader, when he cut across the grass, was arrested on the technical charge of trespass. The "army" then broke up. Coxey's army was not the only demonstration of the kind. Some of them were orderly; some were not. Altogether, the impression made upon the people of the country was altogether out of proportion to the real significance of the movement. It is a fair indication of the deep-seated uneasiness, even fear, which was the outgrowth of the loss of confidence among the population generally, that these sporadic outbursts were able to create a state of alarm which verged upon panic.

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CHAPTER XIII

THE SILVER CAMPAIGN

In the midst of the turbulent summer and fall of 1894 the interim congressional campaign took place. The reasons which explain the complete reversal of majorities in both senate and the house are not far to seek, although in some states local issues were so intertwined with national that a full explanation of the overturn involves a study of each state. In the fifty-third congress there were in the senate 44 Democrats, 38 Republicans and three Populists, while in the house the Democrats mustered 220 votes as against 126 Republican and 8 Populist. In the fifty-fourth congress the senate would have 39 Democrats, 42 Republicans and 5 Populists, and the house 104 Democrats, 246 Republicans, 6 Populists and one "Silver Party" man. The extent of the change is further revealed in the fact that New England elected but one Democrat, Fitzgerald of Massachusetts, and not one of the Democratic members of the fifty-third congress went back to Washington. In New York there was shift from nineteen Democrats and fifteen Republicans to five Democrats, all from New York City, and twenty-nine Republicans. Pennsylvania had two Democrats instead of ten. New Jersey and Delaware showed similar changes, the former sending a solid Republican delegation for the first time in its history.

PARTY CHAOS

In the South the complications of Populism produced some rifts. In North Carolina, for example, instead of a solid Democratic group, six of the nine representatives were elected on the strength of a fusion between Populists and Republicans. In South Carolina, there was no Republican ticket but the Populists captured the Democratic party, chose "Tillmanite" congressmen, and a legislative majority pledged to make Tillman himself a United States senator. Georgia elected one Populist congressman and Texas showed the result of the third party movement by breaking its Democratic ranks with one Populist and one Republican representative. The lower South remained Democratic but some of its congressmen were acceptable to the Populists. In the border states there was not only the disturbing factor of Populism but, in several instances, local contests which resulted in Tennessee's selection of two Republican congressmen and a Republican governor, Maryland's choice of three Republicans and three Democrats instead of six Democrats as before, Virginia's election of one Republican out of the total of ten, and West Virginia's rejection of four Democrats for four Republicans.

If the South was disrupted conditions in the West were even more chaotic. There Populism had gone farthest, but the returns of 1894 did not meet the expectations of the new party's leaders, for, although the total vote showed no considerable diminution, it was less effective. Kansas, the center of the movement, had difficulty in keeping a single Populist in the lower house, and an overturn in the state legislature would put a Republican in the United States senate. Idaho, Montana, the Dakotas, and Wyoming, as well as the older states of Minnesota and Iowa went Republican. On the coast California and Oregon and the new state of Washington showed similar results.

Aside from local contests, the outstanding causes of the overturn were in the prevailing economic depression. Just as in 1890 and 1892 the McKinley bill had concentrated the wrath of the people upon the Republican party, so in 1894 hard times were charged to a Democratic administration. All were not satisfied with this easy but unconvincing explanation. Some were disgusted with the outcome of the tariff issue; others turned their backs on the party because of the part played by the administration in the recent labor disturbances. In the West Cleveland's stand against silver was sufficient to defeat his party, although this monetary question knew no party lines. In certain localities, especially in New England and New York, some influence was exerted by a new nativist movement, the anti-Catholic American Protective Association, which tried to confine political power to native born Americans, and to secure greater restriction of immigration. Both major parties officially disclaimed any connection with the movement, but since the agitation was believed to be directed especially against the Irish, Republicans found it more difficult than Democrats to escape suspicion.

Under the circumstances, when the Capitol was crowded with "lame ducks," constructive legislation could not be expected from the expiring fifty-third congress. In vain President Cleveland urged some forwardlooking action on the monetary question, but congress, willing to pass a silver act and deterred by the knowledge that it would be vetoed, refused to afford the relief asked by the president. After congress adjourned one of the New York weeklies summed up the situation with this comment:

> Congress has adjourned. It has lived without achievement, it dies without honor. It was elected by an overwhelming majority. At the end of its career it was defeated by a majority not less significant. The moral is plain and easy to read. The American people has little patience with a party which does not know its own mind, has no definite purpose, and lacks even the capacity to follow its leader.

The Unrest of the Nineties

Whether Republicans would pursue a less vacillating course was open to doubt, for sectional lines and not party divisions moulded sentiment on the paramount issue of the day. The summer of 1895 brought economic betterment in places, but improvement of conditions was not universal. In the East, despite a hesitancy based upon what the future would bring both in monetary and tariff legislation, business was slowly picking up. The winter of 1894–5 had been a particularly severe one; distress arising from unemployment was still prevalent, and, to cap the climax, the influenza, "la grippe," added its quota of woe. Labor disputes continued to be unusually numerous. In the spring of 1895 came a widespread and long drawn out contest in the garment-making industry. There were railroad strikes, although none so extensive as that of 1894; miners in several fields carried on costly and for the most part unsuccessful strikes to improve working conditions and raise wages.

In the West, however, there was as yet little indication that the tide had turned. Prices for agricultural products remained low, interest rates were high, and tenancy was markedly on the increase. The census of 1890 seemed to demonstrate that American farmers were consistently getting in a worse way. Between 1850 and 1890 rural wealth increased from something under $4,000,000,000 to a little less than $16,000,000,000, while urban wealth jumped from about $3,000,000,000 to over $49,000,000,000. When the farmer thought of the greater comforts, the advantages for his children, the apparently altogether desirable life of towns, and then read that rural wealth lagged far behind that of the cities, it is no great wonder that he was dissatisfied. He did not, however, appear to realize that the principal reason was that improved methods of production made it possible for a smaller number of persons to produce the things necessary for the subsistence of the nation. He forgot that foreign countries were putting their wheat and other grains, their cattle and hides, into the world's markets and that he had to compete with Argentine, Russia and Australia. After all prices were low and money was scarce. The farmer endorsed the sentiments of Mrs. Mary E. Lease, one of the Kansas Populist apostles when she announced:

> Wall Street owns the country. It is no longer a government of the people, by the people, and for the people, but a government of Wall Street, by Wall Street, and for Wall Street. . . . Money rules and our Vice-President is a London banker. Our laws are the output of a system that clothes rascals in robes and honesty in rags. The parties lie to us, and the political speakers mislead us. We were told two years ago to work and raise a big crop and that was all we needed. We went to work and plowed and planted; the rains fell, the sun shone, nature smiled, and we raised the big crop that they told us to; and what came of it? Eight-cent corn, ten-cent oats, two-cent beef and no price at all for butter and eggs—that's what came of it. . . . The main question is the money question. . . . We want money, land, and transportation. We want the abolition of the National Banks, and we want the power to make loans directly from the Government.

More money was the cure for all evils. The farmer preferred greenbacks issued directly by the government and no more banknotes, but he was willing to accept silver. Some economists seriously questioned the ability of gold to meet the increasing demands of industrial society and believed that the world would have to unite on some sort of a bimetallic program. Some who could scarcely be called students of finance were able to phrase delusive arguments in a way to make the hard-pressed tiller of the soil believe that silver was the one great panacea.

W. H. Harvey, "Coin" Harvey, was one of these. *Coin's Financial School* was one of the most widely read of numerous pamphlets which circulated throughout the country and especially in the states west of the Alleghanies. With plausible arguments and striking illustrations Harvey satisfactorily demonstrated to many people that the rich man's money, gold, was the instrument by which workers were held in economic servitude. The poor man's money, silver, he said, was prevented from coming to its own because it would decrease the gains of the well-to-do and increase the returns of the farmer and laborer. He harped continually upon the clash of English and American interests, and persuaded many a voter that there was a malign conspiracy between British and American bankers to oppress the toiling masses. At best the monetary question was complicated. It was, then, not surprising that specious arguments, entangled with figures manipulated to prove almost anything, convinced people who had neither the training nor leisure to pursue the subject to its ultimate causes and who desired, moreover, a quick and easy route to prosperity.

Republicans and the Gold Standard

The Republicans rejoiced in the perplexities of their opponents. They hailed the overturn of 1894 as a rebuke to a party which, on the fundamental issues of the day, had shuffled and hopelessly snarled itself, although they were almost as much at sea as their adversaries. With hesitation and misgivings, then, both parties approached the presidential campaign of 1896, the "battle of the standards" as it was sometimes called. The Republican party had come to be considered essentially conservative and particularly thoughtful of the welfare of business, the party of established things and vested interests. Republicans in the East supported the gold standard, but many westerners were advocates of free coinage of silver, and followed the leadership of Senator Teller rather than that of eastern party magnates. Republican conventions in many western states had gone on record for free silver. Nevertheless, the voting population in the East out-numbered that in the rest of the country. Besides all this it was apparent that the old policy of shuffling would no longer suffice. It was almost a foregone conclusion that the Democrats would put in their platform a silver plank. For political reasons if for no other the Republicans would be forced to take a definite stand. Accordingly when the Republicans met in St. Louis it was practically certain that some sort of a gold pronouncement would be made.

It was equally probable that the nomination would go to William McKinley of Ohio, the man whose name was coupled with the tariff act of 1890. This was not because McKinley was the first choice of the region where the largest Republican vote would be polled, for there Thomas B. Reed of Maine loomed above all others. Reed, however, had little chance to defeat McKinley, not because of the latter's greater ability, but on account of the work of Marcus A. Hanna. Hanna was a representative business man, or ex-business man, in politics. He had a considerable fortune, founded first upon a successful mercentile career and then increased through his connection with street railways especially of his native city, Cleveland. He became interested in politics, and particularly in the political fortunes of William McKinley, whom he regarded as an outstanding man of statesman-like calibre worthy of the sincerest devotion. In the early nineties Hanna retired from active connection with business and bent every effort to secure McKinley's nomination and election as president of the United States. After McKinley's defeat in the congressional election of 1890, due largely to legislative gerrymandering, he was elected governor of Ohio for two successive terms. Between 1892 and 1896 Hanna, who had a winter home in one of the southern states, saw that all the prominent southern Republicans had an opportunity to meet the affable governor. A solid southern vote in the convention could be counted on. By strenuous work the Ohio state convention had been made to declare for McKinley rather than John Sherman or Senator Joseph B. Foraker. In other states where there were favorite sons skillful tactics secured from conventions a declaration for McKinley as second choice. McKinley was familiar with the tariff. On the monetary issue he was less at home. His previous record was not altogether consistent, for by his speeches and his votes in congress he could be shown a supporter both of a gold standard and of bimetallism.

All during the pre-convention campaign he had willingly followed Hanna's advice not to commit himself on the issue.

The Republican convention met the third week of June in St. Louis. The greatest interest was in the monetary question, for there was a minority determined to defeat a gold plank. The majority report of the committee on resolutions[1] after some generalties stated: "We are . . . opposed to the free coinage of silver, except by international agreement with the leading commercial nations of the world, which we pledge ourselves to promote; and, until such agreement can be obtained, the existing gold standard must be preserved. All our silver and paper currency must be maintained at parity with gold, and we favor all measures designed to maintain inviolably the obligations of the United States and all money, in coin or paper, at the present standard, the standard of the most enlightened nations of the world." Senator Teller of Colorado presented a minority report which read: "The Republican Party favors the use of both gold and silver as equal standard money, and pledges its power to secure the free, unrestricted, and independent coinage of gold and silver at our mints at the ratio of 16 parts of silver to 1 of gold." The monetary plank was voted upon separately and the majority report sustained by 812½ out of 923 votes. The delegations of Colorado, Nevada, Utah, Wyoming and Oklahoma Territory unanimously supported the minority report, and fifteen other states, none of them north of Mason and Dixon's line or east of the Mississippi, except for Illinois, gave it one or more votes. Upon the adoption of the majority report Senator Teller and thirty-three other delegates left the convention. Their bolt was the first move toward the formation of a Silver Republican Party which eventually endorsed the nominees of the Democratic Party.

The other planks in the Republican platform contained nothing new except that there was an expression of sympathy for the struggling patriots of Cuba in their contest with the Spanish government, a reassertion of the Monroe Doctrine, and a declaration in favor of the annexation of Hawaii. The tariff plank condemned the Wilson-Gorman bill and especially the repeal of the reciprocity provisions of the McKinley act.

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[1] For accounts, somewhat divergent in detail, of how the gold plank came to be phrased in the majority report of the committee on resolutions see Herbert Croly, *Marcus A. Hanna* and J. B. Foraker, *Notes of a Busy Life.*

It took but one ballot to nominate McKinley with 661½ of 902 votes.[1] The vice-presidential nominee, likewise selected on the first ballot, was Garrett A. Hobart, a wealthy business man of New Jersey. Hobart had not figured in national politics before, but he had been a member as well as presiding officer in each house of the legislature of his state, and was chairman of the New Jersey Republican state committee from 1880 to 1891. McKinley's choice of Hanna as his campaign manager, a position automatically making him chairman of the Republican national committee, was a foregone conclusion. Since McKinley was not well known in the East and Hanna was equally a stranger, it was with considerable difficulty that the latter was able to convince the monied men of New York that they must be liberal in their support of the campaign. Hanna's astute methods and his skill in conducting the whole affair, however, not only secured his place in the ranks of Republican magnates but raised him to a position of national importance.

Democrats and Free Silver

On July 7 the Democrats met in convention at Chicago with the silver men in the majority. They lost no time in demonstrating their power when they made Senator John W. Daniel of Virginia temporary chairman by a vote of 556, while Senator Hill of New York, whom the conservative national committee had selected, received 349. The second clash came when four contesting silver delegates from Michigan were seated in the place of gold men. All the time excitement was running higher, with the efforts of the conservatives constantly growing feebler. On the third day the committee on resolutions presented two reports: that of the majority denounced gold monometallism as a "British policy," the adoption of which had brought "other nations into financial servitude to London," and went on to "demand the free and unlimited coinage of both gold and silver at the present legal ratio of sixteen to one without waiting for the aid or consent of any other nation." The minority report contained a gold plank and also had the customary complimentary endorsement of the presidential incumbent. The mention of Cleveland's name brought to his feet Senator Tillman of South Carolina, with a vituperative attack on the "tool of Wall Street," and his harangue was greeted with tumultuous cheers.[1] Senator Hill attempted with a calm and reasoned argument to advocate the gold standard, but the majority of the delegates would not listen and howled him down. Others met the same fate. No one seemed to be able to voice in any adequate way the emotions of the crowd until William Jennings Bryan expressed the prevailing sentiment in a speech which ended with the words:

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[1] Reed had 84½, Quay, 62½ Levi P. Morton, 58, and Allison, 35½. See Croly, *Marcus A. Hanna*, ch. 15, for an account of the way McKinley was reconciled to the gold plank to which he was at first opposed.

> Therefore, we care not upon what lines the battle is fought. If they say bimetallism is good, but we cannot have it till some nation helps, we reply that, instead of having a gold standard because England has, we shall restore bimetallism and then let England have bimetallism because the United States has. If they dare to come out in the open and defend the gold standard as a good thing, we shall fight them to the uttermost, having behind us the producing masses of the nation and the world. Having behind us the commercial interests, and the laboring interests, and all the toiling masses, we shall answer their demands for a gold standard by saying to them, "You shall not press down upon the brow of labor this crown of thorns. You shall not crucify mankind upon a cross of gold!"

This speech had appealed to thousands whom Bryan had addressed in the course of the past three or four years up and down the Mississippi valley, and it struck a responsive chord in the convention. It closed the discussion, and had he wished it Bryan could have had the nomination at the moment. This formality, however, was postponed until the next day when on the fifth ballot he received 500 votes, nearly the necessary two-thirds to give him the nomination. His nearest competitor was R. P. Bland of Missouri, the "father of bimetallism," who had 106 votes. The final corrected ballot gave Bryan 528 votes and the nomination, for a large number of delegates refused to vote at all when they saw the trend of events. Arthur Sewall of Maine, from a field of fifteen candidates, was selected for the second place on the ticket.

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[1] When Tillman was campaigning for election to the senate he announced that he was going to stick his "pitch fork into the old ribs" of the president.

The issue between the two old parties was now clear cut, and for the first time in years a voter knew definitely what he was doing when he marked his ballot. But as the issue was made clear between Democrats and Republicans the problem of the Populists was made more difficult. Not only had the Democrats camped on their monetary ground but the Democratic platform included a number of their other demands. If they put a ticket of their own in the field they would split the vote and inevitably give the election to the Republicans with their gold, their tariff and their alliance with all the forces which Populism had been combating. If they merely endorsed the Democratic candidates they ran the risk of destroying their party. It was, then, with heavy hearts and diverse counsels that delegates gathered in St. Louis for the convention which was to open on July 22. Varying advice had come during the past weeks. "By united action," said an editorial in *The Progressive Age* of Minneapolis, "the reformers may reasonably entertain a hope of winning the campaign." But the Indianapolis *Non-conformist* believed that "the preservation of the Populist Party [was] more important than the securing of free-silver coinage." The leaders at St. Louis were divided; most of them reluctantly, but forced by the logic of events, advised fusion. Their advice was heeded and Bryan was nominated, but the "middle-of-the-road" group had its will when another vice-presidential candidate, Thomas E. Watson of Georgia, was chosen. Their platform reiterated the familiar demands of 1892, with its graduated income tax, postal savings banks, government ownership and operation of railroads and telegraphs, laws to check the monopolization of land, extension of the homestead law, direct legislation through the initiative and referendum, direct election of president and vice-president and United States senators, home rule and early admission for the remaining territories, and current labor demands.

After the Democratic convention adjourned a movement, started by eastern party leaders, culminated in a convention held in Indianapolis in early September. Adopting a platform which declared for a tariff for revenue, maintenance of a gold standard, and separation of the government from banks, the convention nominated John M. Palmer of Illinois for president and Simon B. Buckner of Kentucky for vice-president. As

Palmer was an old union soldier and Buckner had served in the Confederate ranks it was truly a union of the "blue and the grey."[1]

The Campaign

The campaign was hotly and at the same time more intelligently waged than those of recent years. Bryan took the stump and addressed audiences in sixteen states speaking to hundreds of thousands altogether. The Republican candidate conducted a "front-porch" campaign and received delegations which came "to worship at the shrine of the golden calf," as opponents derisively said. Money was spent liberally by the Republicans to print campaign "literature," finance speakers and pay the expenses of expeditions to Canton. Much of it came from corporate enterprises the directors of which feared disaster to American industry if Bryan should be elected. The Democratic Party also was liberal in its expenditures and probably the sole reason its budget was less ample was because the same sources were not open to it. At the outset it seemed that Mr. McKinley's belief that the tariff and silver were equally important issues was substantiated. In his speech of acceptance he had announced that "the first duty of the Republican Party, if restored to power, will be the enactment of a tariff law which will raise all the money necessary to conduct the government, economically and honestly administered, and so adjusted as to give preference to home manufactures and adequate protection to home labor and the home market." Indeed, shortly after the Republican convention, McKinley remarked that in a short time the silver question would sink into the background and only the tariff would remain prominent. As time went on the tariff was pushed into the background and silver remained the only real issue.

In presidential years political prophets watched Maine, which held its elections early and was looked upon as a barometer which foretold the outcome of the national contest. When they occurred the Republicans were far in the lead with a vote of 82,646 for their candidate for governor as compared with 34,272 for the Democratic. The other parties trailed far behind, and the National or "sound-money" Democrats could muster only 616 popular votes. In November a total of 13,813,518 votes was cast, more than 1,800,000 in excess of the number in 1892. McKinley and Hobart electors had a plurality of 567,692, but their support was concentrated in such a manner in the more thickly populated states that 271 electoral votes were secured, while Democrats and Populists obtained only 176 electoral votes for Bryan and Sewall or Bryan and Watson. In the East and the old Northwest all the pluralities were in favor of McKinley who also won Minnesota, Iowa, North Dakota, Oregon and California. The popular vote of 6,509,000 for Bryan was effective in the West and South outside of Maryland, West Virginia and Kentucky. An analysis of the combined Democratic and Populist votes fails to reveal the strength of the latter, for in the seven fusion states, where a distinction can be made, 1,499,000 votes were cast as Democratic while only about 93,000 were distinctly Populist. It is apparent that many voters had slipped back to the old parties. Many Democrats voted the Republican ticket, not wishing to waste a ballot on the forlorn hope led by Palmer and Buckner whose electors secured no electoral votes and only 133,148 popular votes, just 1,141 more than were cast for the regular ticket of the Prohibitionists. The Socialist-Labor and the National Party support was negligible. A Republican congress was chosen to support a Republican president. The senate would have 46 Republicans, 34 Democrats, one Populist, one Fusionist and one Silver Party man, while in the house there would be 206 Republicans, 134 Democrats, and 16 Populists and Silver Party representatives.

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[1] Three other parties in the course of the year presented national tickets. The Prohibitionists nominated Joshua Levering of Maryland and Hale Johnson of Illinois; the Socialist-Labor party selected Charles H. Matchett of New York and Matthew Maguire of New Jersey. The National party, which split from the Prohibitionists because the latter dodged all other issues and went on a platform with one single plank selected E. C. Bentley of Nebraska and J. H. Southgate of North Carolina to stand for greenbacks and free silver, woman suffrage, government lands for the people, and government ownership of natural monopolies, as well as direct election of president, vice-president, and senators, direct legislation through the initiative and referendum, abolition of contract convict labor, and exclusive use of English in schools.

The Dingley Tariff

In spite of the main issue of the campaign the Republicans made the tariff the first object of their attention. A special session, called by President McKinley to meet on the fifteenth of March, received a message entirely given over to urging the repeal of the act of 1894. Within three days Nelson Dingley of Maine from the committee on ways and means was ready to report a bill which had been framed while the old congress was still in session. On the thirty-first of the month the measure was passed by the house and sent to the senate, for party discipline allowed little debate and practically no amendment. In the senate it was not until May 8 that the committee on finance reported out a much modified bill, in which some attention was paid to revenue-producing features with the more extreme duties reduced. Until July 7 the senate discussed this bill, amending and altering at will. The net result was to restore much of the original house measure, although some important differences still remained. Since the house would not accept the senate's tinkering the bill went to conference where the usual give and take took place and on July 24 it was signed by the president.

In general the Dingley act brought the average of duties to a point higher than they had ever been before, although some schedules and individual items were lower than those of either the McKinley or Wilson-Gorman act. Wool went back to the dutiable list, along with hides, and sugar was given no bonus. There were compensating duties on the manufactured goods. With dutiable wool, hides, sugar and similar commodities, the influence of the South, and particularly of the West, was seen. A clash of interests between sections left the region West of the Mississippi in power; high duties upon coarse wools, such as were produced in the mountain and coast states, and upon citrus fruits and other coast products demonstrated the influence of western senators particularly.

Much doubt was expressed as to the probable effectiveness of the act as a producer of revenue, and increase in revenue was recognized as a paramount necessity. Prosperity, with or without protection, however, was on the way. The autumn of 1896 found the farmers of the Mississippi Valley rejoicing in good crops, and, what was more pleasing, better prices. Just how much this contributed to Republican success in the election is difficult to determine, but it was generally agreed that, with the edge of their discontent dulled, many turned from Bryan and free silver to cast their votes for the party of their original alliance. By the summer of 1897 the worst of the depression was over, and with reasonable expectation that tariff-tinkering would cease for a time, people were willing to go ahead and make plans for more than a hand-to-mouth existence. Just how much the tariff itself had to do with the turn of affairs is one of those subjects colored by the economic and political views of the individual who discusses it. Economists have, and at the time had, pretty much come to the conclusion that except in special cases and temporarily, little or no difference was brought about directly by protectionism high or low; that fundamental resources, initiative and training were at the basis of lasting economic advance.

BIBLIOGRAPHICAL NOTE

Many of the works already mentioned may be used for reading on this chapter; Lingley, Paxson, Beard, Dewey and Peck all contain some information. James F. Rhodes carries on his history in *The McKinley and Roosevelt Administrations, 1897–1909* (1922), and chapter 1 deals with the election of 1896. Buck, *Agrarian Crusade* has a sympathetic account of the farmer's side of the question. Other works which deserve particular attention are Haynes, *Third Party Movements since the Civil War* and *James Baird Weaver;* McVey, *The Populist Movement*, and William J. Bryan, *The First Battle* (1896). Of biographies Croly, *Marcus Alonzo Hanna* is indispensable; others which are useful are Olcott, *McKinley;* Foraker, *Notes of a Busy Life;* Champ Clark, *My Quarter Century of American Politics* (1920); *Autobiography of Thomas Collier Platt;* William V. Byars, *An American Commoner; the Life and Times of Richard Parks Bland* (1900); David Magie, *Life of Garrett A. Hobart* (1900), and others which have been mentioned for previous chapters. Comments on personalities of the period are found in William Allen White, *Masks in a Pageant* (1928), and Charles W. Thompson, *Presidents I have Known and Two Near Presidents* (1929).

CHAPTER XIV

FOREIGN RELATIONS

Internal development, involving the opening and subduing of the West and the organization of industrial life so that capital might be brought together and economic enterprises placed on a footing to obtain the utmost from the natural advantages with which the United States had been blessed, prevented any general or consistent interest in international affairs for a generation after the close of the Civil War. When a change did come it was not unconnected with what had taken place in the previous years. The industrial revolution coupled with the depletion of public lands was an integral factor in the changing viewpoint. The shift from predominantly agricultural and extractive pursuits to manufacture created a demand for markets outside the country and stimulated search for supplies of necessary raw materials not found at home. Competition in world markets of raw products which had long formed the principal exports also figured.

A lack of much definite material interest in what was going on abroad had not tended to promote an efficient diplomatic or consular service. Positions in both branches were looked upon as rewards for political service. The minister sent to a foreign power was likely to be virtually a pensionaire of the government, and his qualifications for adequately filling his post were of secondary consideration. While many an able man was sent abroad to represent the United States, this was less by intention than by fortuitous circumstance. One diplomatic position, however, stood out in sharp contrast to the others for there was a rather consistent policy of sending able men to England. Not only were economic ties closer, but it was a matter of pride that the place occupied in former days by men like Rufus King, John Adams, Edward Everett or George Bancroft should be held by worthy successors like James Russell Lowell, Robert T. Lincoln, Thomas F. Bayard, Joseph H. Choate or John Hay.

Other important European legations and embassies from time to time were occupied by men as eminent and as able, but in no one of them was there the same succession of really outstanding diplomats. The consular service, except for a few positions of exceptional significance, had become the dumping ground for political derelicts. But as American interest in the economic situation in foreign countries grew, pressure was brought to bear to prevent the appointment of the most conspicuously unfit.

In the state department, despite the frequent change of secretaries and chiefs of divisions, a more or less permanent staff was built up and this contrived to maintain a real continuity in the essentials of routine duty. For nearly a generation Mr. A. A. Adee, one of the assistant secretaries of state, did more in the department to mold foreign policies than most of his superiors. So, too, in many an obscure consulate, and some not so obscure, the permanent staff of attachés really carried the burden of the work and determined the course of action.

North American Issues

While public interest did not often concern itself with the trans-Atlantic or trans-Pacific affairs, or even with those of Latin America, volumes of diplomatic correspondence and numerous treaties attest the fact that willy-nilly foreign questions existed and demanded attention. Now and then certain issues forced themselves to the front. Several of these grew out of British interests in the western hemisphere. None of them was more persistent than the fisheries question which came into existence with the treaty of peace of 1783. It was not until 1818 that a convention was framed to define the privileges of American fishermen on the coasts of Laborador and Newfoundland, and in certain Canadian ports. New complications arose with changes in the fisheries which in 1854 brought a new treaty extending American privileges and providing reciprocal tariff concessions by both countries. Ill feeling which came with the Civil War and the resurgence of protection caused the denunciation of this treaty in 1866 and a return to the terms of 1818. The Treaty of Washington of 1871, primarily negotiated to deal with the Alabama claims, allowed free exchange of sea products, and Americans were given greater privileges in Canadian waters and ports. As the United States gained more than Canada, a money payment, determined by a commission, was fixed at about five and a half million dollars. This sum was thought by Americans to be unreasonably large, and the treaty was abrogated, so far as the fisheries were concerned, in 1885 and again things were back on the basis of 1818. In 1888, a *modus vivendi*, whereby a system of licenses gave Yankees from year to year at least a part of what they wished, was the unsatisfactory solution which continued to 1908 when both countries agreed to submit the whole matter to the Hague Tribunal. In 1910 this body handed down its decision and on many of the essential points American contentions were lost.

Other questions grew out of the acquisition of Alaska. One of these arose from the fact that the most important herd of fur seal in the Pacific had a permanent summer home on the fog-enveloped beaches of the Pribylof islands. Here, and on the adjacent waters, the seal spent the breeding season. Hunters of all nations killed them by thousands at sea and the herd was diminishing rapidly. Remonstrances against the pelagic hunting on the ground that seal formed a quasi-domestic property which the United States could protect outside of territorial waters produced no results. When United States revenue cutters seized offenders their governments protested. Secretary Blaine, when in the state department for the second time, was more active in the matter than his predecessors, although his course of action did not in principle go beyond lines laid down earlier. After one or two seizures which stirred the feelings of the British government, and after Mr. Blaine had attempted to establish as accepted principles of international law certain dicta to which his opponents would not agree, it was determined to submit the whole issue to a court of arbitration, which denied all of the American contentions. After the arbitration the old situation persisted and the extermination of the whole herd was threatened. Investigations by American and British experts produced diverse reports but no change. Finally in 1911 all the nations interested—England, through Canada principally, Japan, Russia and the United States—entered into a joint treaty, which forbade pelagic hunting. Recognizing the legitimate rights of the other nations, the United States agreed that each should be entitled to a determined number to be taken on land each year. Even this arrangement did not materially check the diminution of the herd, consequently, in 1912, congress by law prohibited all killing of seal for a term of five years. This respite gave the seal a chance so in 1917 regulated and limited *pro rata* killing was resumed.

As in the case of the fisheries and seal questions, so in that of the Alaskan boundary there was no point of national interest or honor involved, but an economic issue. When Russia ceded Alaska to the United States the exact location of the boundary line, which in 1824 was fixed at ten marine leagues from the sea, was a matter of little concern. With the discovery of gold both in American and Canadian territory the development of the interior was found to depend in considerable degree upon accessible ports, and Canadians discovered that, by the American definition of the boundary, every available harbor belonged to the United States. The Canadians insisted that the line should run along the prominent landmarks, the mountain peaks which projected from the general height of land running parallel with the coast, and not follow the sinuosities of the coast. England took up the question and an arrangement was made to submit the issue to a commission of six members, three Americans, two Canadians and one Englishman. That body decided that the American contention was well founded by a vote of four to two for Lord Alverstone cast his ballot with the three American commissioners. The American government and people were naturally satisfied with the outcome, but not so the Canadians; they complained with some bitterness that Canada had been sacrificed to the general interests of the Empire.

INTERESTS IN THE PACIFIC

These questions between England and the United States were, after all, of minor importance. In the Pacific, about the Caribbean, in many far-off corners of the earth were arising issues which reflected the changing attitude of Americans. One of the earlier of these concerned a little group of islands in the South Seas. In 1878, by treaty in which Great Britain was interested, the United States acquired for a coaling station the harbor of Pago Pago on one of the islands of the Samoan group. The German Empire, however, was also interested in Samoa. Hence, through consuls and other agents, a movement was fomented among the Samoans so that these islands might eventually pass under German domination. During the eighties this took the form of agitating the natives against all nationalities except the German, and in 1886 the German consul at Apia proclaimed all the islands a German protectorate. This was answered by a similar but unauthorized claim by the American consul. Neither government backed its representative, but when, in a conference at Washington, there was an attempt by Great Britain, Germany and the United States to formulate a workable scheme to replace the admittedly incompetent native organization, nothing tangible was accomplished and conditions remained unchanged. In 1888 a German attempt to depose the reigning chieftain and set up a subservient puppet led to disorder and guerilla warfare. What was considered in the United States unwarranted meddling with American interests aroused strong feeling. A squadron was sent to Samoa and for a time the situation was very tense, threatening at any moment to ripen into a conflict. Before matters reached a crisis, however, Secretary of State Bayard suggested a renewal of the conference, Bismarck agreed, and England was willing. A tropical storm which destroyed most of the war vessels at Apia and caused heavy loss of life, added its sobering influence, and the Berlin Conference of April, 1889, reached a compromise providing continued joint control of the islands. Conditions, however, remained chaotic until 1899 when a final arrangement gave Germany the larger islands and the United States the island of Tutuila with the harbor of Pago Pago, while Great Britain withdrew entirely on account of concessions elsewhere.

While the Samoan discussion was active another Pacific question arose. The Hawaiian Islands had long been a stopping place for the navigators of the Pacific, and American interest had developed as early as the middle of the century. Agricultural possibilities drew American and other foreign capital into the production of tropical fruits, sugar and other commodities. At all points, however, the newcomers came in contact with the exasperating inefficiency of a decadent native government. In 1887 two events of importance took place: a treaty renewing reciprocity, gave the United States sole use of Pearl Harbor, and a constitution was adopted. Under the constitution the king's powers were limited and foreign born inhabitants of the islands were enfranchised. When the king died and Queen Liliuokalani succeeded to the throne she set aside the constitution thereby precipitating a revolution which resulted in the establishment of a republic. The new government sought recognition from and annexation to the United States and a treaty for the purpose was completed just before the close of Harrison's administration. President Cleveland, suspicious of the "revolution," withdrew the treaty from the senate and sent to Honolulu a personal representative to report on the situation. The president's agent, James H. Blount, found that the revolution had been actively promoted by the American minister and was not a movement which reflected the desires of the natives, whereupon Cleveland refused to submit the treaty to the senate again and tried unsuccessfully to secure a restoration of native rule. Consequently the Hawaiian republic remained an independent state until the Spanish-American war forced the hand of the United States.

Latin American Issues

These issues aroused some fleeting attention but they were easily submerged by more pressing domestic problems. More persistent were those questions which involved the Monroe Doctrine in one way or another. Blaine in 1881 started a movement for a permanent organization to bring the United States and Latin America into closer relations. It received only lukewarm support at home and in the southern republics; the foreign office of one state frankly expressed the sentiments of several others by saying that its government agreed to the proposition not so much because of any sympathy with the proposal as because courtesy demanded co-operation. Mr. Freylinghuysen, who followed Blaine in the state department, did not push the proposition, but Mr. Blaine, out of office, and others kept the idea alive. Thus it happened that Blaine had the privilege of welcoming to Washington delegates invited by President Cleveland in pursuance of a resolution of congress, passed in 1888.

Many subjects were discussed at the meeting in the spring of 1889, but the only notable result was the establishment of an International Bureau of American Republics, later the Pan-American Union, with permanent headquarters at Washington.

What Mr. Blaine accomplished by promoting a better understanding between the United States and Latin America, was more or less neutralized by his experience with Chile. Not only had he tried to preserve the territorial integrity of Peru which was threatened by Chile, but just before leaving office, in December, 1881, resentment was stirred by his instructions to the American minister in Peru to secure an impartial hearing for the claims of one Landreau, an American citizen who had discovered certain nitrate beds; if the treaty of peace gave them to Chile that she assume the obligation to pay royalties to Landreau. Chile resented the demand, but Frelinghuysen's reversal of Blaine's quite reasonable stand put an end to the issue but not to the resentment.

Again in 1891 Chile caused Mr. Blaine a little uneasiness. While this country was less subject to revolutions than many of its neighbors there were occasions when a faction abandoned legal methods of bringing about a change in government. President José Balmaceda was accused of trying to perpetuate his power by designating his successor, and was violently ousted. The state department of the United States, frowning upon disorder and revolution, continued to recognize the Balmaceda government. The insurrectionists considered this another example of Mr. Blaine's hostility. Their resentment increased when the *Itata*, said to be taking arms from an American port to the insurgents, was seized at San Diego. The vessel escaped and the cruiser *Charleston* was ordered to retake her. At Acapulco in Mexico, where the *Itata* was expected to put in, the *Charleston* found a new Chilean cruiser waiting to protect her. The two war ships, cleared for action, waited until it was learned that the *Itata* had gone directly to a Chilean port. There the insurrectionist leaders decided to surrender the vessel to the commander of the American squadron, but received it back when the United States District Court in California determined that the seizure had been illegal. The appointment of Patrick Egan, a "Blaine Irishman" who in the early eighties had fallen into disfavor at Dublin, as minister to Chile was resented by a considerable number of influential English associated with the revolutionists. Egan was openly sympathetic with the Balmacedists, and, after the insurrectionists took Santiago, refused to surrender a group of the defeated faction seeking his protection.

Another episode brought matters to a crisis. Captain Schley of the U. S. S. *Baltimore* stationed at Valparaiso gave some of his men shore leave. They were mobbed, two killed and several severely injured before the local police came to their rescue. The Chilean authorities maintained that the sailors were drunk and had started the trouble themselves; Captain Schley, on the other hand, established to the satisfaction of his superiors in Washington that the attack had been unprovoked and even participated in by the police. Blaine demanded an apology and payment of an indemnity. After aggravating delays President Harrison sent to Congress, on December 11, 1891, a message in which he indicated the seriousness of the whole situation. Thereupon the Chilean minister of foreign affairs published a telegram to the minister in Washington in which were some uncomplimentary references to President Harrison, Minister Egan and Americans in general. The Matta telegram definitely loosed a tide of public resentment which President Harrison apparently did little to stay. The Chileans seemed to be aching for a fight, an attitude stimulated somewhat by the German and English merchants in Chile. It was rumored that the German government would support Chile if war resulted. When, however, there were unmistakable signs of determination on the part of the United States, the Chilean government yielded to Blaine's ultimatum that the Matta telegram be disavowed and apologized for, the indemnity paid, and the refugees whom Minister Egan was sheltering given a safe conduct to neutral territory.

Another incident which drew attention of Americans to Latin American affairs occurred in Central America. Nicaragua claimed the Mosquito Coast, a strip of land running north from the San Juan river, but Great Britain considered the natives of this region in some degree under her protection. In the winter of 1894–5 the Nicaraguan government determined to bring this area, including the port of Bluefields, within her customs control, and in the exercise of her alleged authority seized a British vice-consul who was charged with activity in trying to check Nicaragua's plans. This brought a demand from England for an apology and the payment of $75,000 for reparation. When the demand was not promptly met British marines were landed at Corinto and seized the customs house. Nicaragua removed Corinto from the list of her ports of entry, but, insecure, both in the merits of the case and in ability to cope successfully with the British Empire, she yielded and the marines were withdrawn. No action on the part of the American government resulted from this event, but public feeling was considerably stirred.[1]

The Venezuelan Boundary

More important than any of these episodes was the Venezuelan question. The Napoleonic wars had left England in possession of a portion of Dutch Guiana on the northeast coast of South America, and not long after Spain gave up all pretence of suzerainty over the colonies in the northern part of South America. No boundary between Dutch and Spanish territory had ever been definitely established, although in 1840 Sir Robert Schomburgk ran a tentative line and penetrated what the Venezuelans said always had been a portion of their territory. In 1850, after an attempt of the two governments to settle the issue, a "diplomatic agreement" bound each not to occupy "any portion of the unoccupied territory in dispute." A new factor was the discovery of gold in the disputed area and the British government extended police protection to maintain order in the region. After ineffectual protests Venezuela, in 1887, severed diplomatic relations with England. Appeals to the United States as well as to certain South American republics resulted in a formal expression of interest, and produced a tender of good offices from several nations, including the United States, to assist in solving the problem. Mr. Blaine went to the point of having available information gathered, but before anything was done the Harrison administration came to an end. The Venezuelan government maintained that Great Britain had gradually encroached upon her territory and showed a disposition neither to recede nor to arbitrate the dispute. Lord Salisbury, for England, contended that it was not possible to abandon to an arbitral tribunal forty thousand British subjects; that *beyond* the Schomburgk line there was a question of title, but anything south and east thereof was a matter to be arranged by direct negotiation between the interested parties.

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[1] Those who thought that the United should have intervened in the Nicaragua affair applauded the stand taken in a trifling matter in Brazil, where a revolution to re-establish the empire brought about in January, 1894, a blockade by the insurgents of the port of Rio de Janeiro. After a considerable delay one of the several American skippers waiting to dock was told by the commander of the American squadron to proceed to his appointed place, and at the same time the commander of the blockading fleet was notified that the blockade was not recognized as valid by the government of the United States. Both commanders prepared for action, but when the barque left her moorings in the outer harbor and proceeded to her berth, under convoy of the gun-boat *Detroit*, one musket shot from a Brazilian vessel was answered by a solid shot from the *Detroit*, and thereafter everything was quiet. The revolution soon came to an end.

After the Cleveland administration had been in office long enough to deal with the financial and industrial problems which were pressing in 1893 and 1894, the state department turned its attention to the Venezuelan embroglio. In July, 1894, Secretary Gresham sent to Ambassador Bayard a rather pointed despatch wherein the whole controversy was gone over. The following December Mr. Cleveland called the attention of congress to the dispute and expressed his desire that the British government might see fit to submit it to arbitration. Congress responded by passing a joint resolution which urged "Great Britain and Venezuela [to] refer their dispute as to boundaries to friendly arbitration." The next day (February 4, 1895) the British Ambassador, Sir Julian Pauncefote, received a cable which stated that "although Her Majesty's government were ready to go to arbitration as to a certain portion of the territory, . . . they could not consent to any departure from the Schomburgk line." In July, 1895, Richard Olney, who became secretary of state upon the death of Judge Gresham, sent Ambassador Bayard a long communication in which a new note was sounded. No longer, said Mr. Olney, was the United States expressing an interest in this question out of mere friendliness to her southern neighbor, for the matter had become a question of vital importance. If, under pretext of a disputed boundary, a European power was able to extend its system of government over a part of one of the independent republics of America, virtually to colonize a portion of the New World, there was distinct violation of the principles of the doctrine laid down by President Monroe. It became, therefore, more than a quarrel between Venezuela and England; it affected the United States which was "virtually paramount" in the western hemisphere, and whose "fiat was law" in those things to which she turned her attention. It was not out of any altruistic motives but because her wealth, her natural resources, her isolated position, made it possible so to assert herself.

When the correspondence was published some months later European diplomats were aghast; such a note would have been considered tantamount to the breaking off of relations had it come from any other country. But American diplomatic notes were always discounted as being intended partly to produce an effect at home. Moreover, Englishmen were familiar with the American pastime of twisting the lion's tail. It was not until November that an answer was framed. The British government considered the unprecedented extension of the Monroe Doctrine unwarranted, and the assumption that this doctrine was a part of international law groundless.

> No statesman however eminent, and no nation however powerful, are competent to insert into the code of international law a novel principle which was never recognized before, and which has never been accepted by the Government of any other country.

The demand for arbitration was rejected.

Lord Salisbury's reply had not been received when Mr. Cleveland sent to congress his annual message in 1895 in which he summarized the Olney note and stated that an answer was awaited. Before the full import of this communication was appreciated the expected answer came. Thereupon the president sent to congress a special message accompanied by much of the correspondence between Washington and London. He suggested the appointment of a commission to investigate the merits of the controversy and went on to say:

> When [a] report is made and accepted it will, in my opinion, be the duty of the United States to resist by every means in its power, as a wilful aggression upon its rights and interests, the appropriation by Great Britain of any territory which, after investigation, we have determined of right belongs to Venezuela.
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> In making these recommendations I am fully alive to the full responsibil-

> ity incurred, and keenly realize all the consequences that may follow. I am nevertheless firm in my conviction that, while it is a grievous thing to contemplate the two great English-speaking peoples of the world as being otherwise than friendly competitors in the onward march of civilization and strenuous and worthy rivals in all the arts of peace, there is no calamity which a great nation can invite which equals that which follows supine submission to wrong and injustice, and the consequent loss of national self-respect and honor, beneath which is shielded and defended a people's safety and greatness.

In the excitement aroused by this announcement Americans forgot that they had been charging the president with "supine submission" to British gold when he was attempting to sell bonds and maintain the financial integrity of the nation; they forgot that they had longed for "one day of Blaine" in the Nicaragua affair. All the pent up truculency of past years concentrated in an almost unanimous approval of the "strong American" stand taken by the executive. Even Mr. Bayard's speech before the Edinburgh Philosophical Institution in the previous November, in which he had commented with some partisan bias on the system of protective tariffs as they had been working out in America, stirred only a passing flurry. Congress reflected the prevailing ideas and passed a resolution appropriating $100,000 and conferring upon the president power to appoint an investigating commission.[1]

While all of these things had been taking place events had been moving rapidly. At the outset the spontaneous outburst of approval in America was met by a stunned incredulity in England, followed by a tinge of belligerency. But on both sides of the ocean a substratum of opinion, submerged at the outset, was beginning to assert itself. An indication of the seriousness of the situation was found in the sudden fall of stocks in Wall Street and in London; even in England it was realized that, irrespective of the merits of the case, the American government was in earnest and the notes and messages were not a bluff. By this time people began to say that war between the United States and Great Britain was unthinkable and that there must be some way out of the tangle. Englishmen on the whole either took the ground that the whole matter was so trivial that Lord Salisbury might easily waive a point and humor the Americans, or that on its merits the American stand was not without reason.

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[1] It consisted of Justice Brewer of the United States Supreme Court, Judge R. H. Alvey of the Appellate Court of the District of Columbia, the Honorable Andrew D. White, former president of Cornell University and one-time holder of several diplomatic posts, President D. C. Gilman of John Hopkins University, and F. R. Coudert, a New York lawyer.

With the changed attitude and with considerable unofficial interchange it was a comparatively easy matter for the two governments to come together. A formal opening was afforded by the suggestion of the commission that the British as well as the Venezuelan government be asked if it would allow the use of its documentary evidence. Then Mr. Bayard proposed that the issue be taken up in Washington, whereupon Lord Salisbury allowed Sir Julian Pauncefote to discuss the question "either with the representative of Venezuela or with the Government of the United States acting as the friend of Venezuela." Later Salisbury modified his stand on the Schomburgk line and allowed, under conditions, arbitration about the whole area. In February, 1897, there was signed at Washington a treaty submitting the matter to a tribunal of two Americans, two Englishmen and Professor Maartens, a Russian international lawyer of repute. This body took over the findings of the American commission and in the end handed down a decision on the whole favorable to the British contention. Like the other episodes which preceded and accompanied it, the Venezuelan affair was trivial—as are many international issues which end in war. Its significance lay principally in the revelation of a changing mood in America. This mood is further revealed in the fact that although the Venezuelan question could be solved by arbitration, a general arbitration treaty with Great Britain was rejected by the United States senate.

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The periodical literature of the period is especially valuable for obtaining a view of contemporary opinion.

CHAPTER XV

THE WAR WITH SPAIN

At the entrance to the Gulf of Mexico only about a hundred miles from the southermost tip of Florida, is Cuba, an island which always had more than passing interest for Americans. Even in colonial days, when the Pearl of the Antilles was Spain's richest jewel, events there somewhat affected people along the Atlantic seaboard. It mattered not that Spain stuck to her time-honored, or dishonored, policy of closing the door to foreign trade; smuggling and connivance of purchasable officials often allowed the Yankee trader to exchange his lumber, fish, or slaves for products desired in England or the northern colonies. After the United States became a nation Cuba more than once engaged the attention of American statesmen. It figured in the defeat of Clay's project of fostering a Pan-Americanism in which the United States should play a leading rôle; it was an object of desire in the forties and brought an offer to buy which was rejected even before it could be formally presented; it was the cause of the Ostend Manifesto, and only the outbreak of the slavery issue in a new and aggravated phase prevented pressing the matter to an issue. The Civil War diverted attention, and, in the years which followed, imperialism was at a discount.

Even in the period when Americans generally disregarded outside issues Cuban affairs could not be wholly ignored. A somewhat liberalized colonial policy on the part of Spain brought investment of American capital on the island and development of a profitable trade. A revolution, which lasted from 1868 to 1878, brought perplexing problems. The long coast line of the United States offered opportunities for the filibuster to slip past patrols and carry to the insurgents needed supplies of men and arms. More than once the Spanish government upbraided the Washington officials for a negligence which did not always exist, and in turn the state department reminded Madrid that greater care in guarding the shore line of Cuba would help restore order. American vessels, suspected because many filibusters operated under the flag of the United States, were subjected to annoying search and detention. Many foreigners were arrested, imprisoned or given worse treatment. Both sides were becoming exhausted in the struggle which paralyzed the island's industry. Just as President Hayes entered office steps looking toward pacification on the basis of certain of the reforms, the demand for which had been largely instrumental in starting the trouble, were taken, and by 1878 nominal peace came to Cuba.

The Cuban Revolution

During the next twenty years, partly due to a loosening of Spain's economic leading strings, there was a burst of development. More and more American and other foreign capital was invested, especially in the production of sugar, until something over fifty millions of American money was represented in plantations, machinery or railroads. Commerce with the United States grew steadily: Cuban tobacco, sugar and molasses, tropical fruits, cotton and other commodities came directly to the United States in return for food stuffs, lumber, machinery, and manufactured products. Altogether by 1898 the annual volume of commerce averaged one hundred millions. Since the United States was the principal market for Cuban sugar, political fluctuations, particularly as they affected the tariff, directly affected Cuban laborers and Americans whose money was invested in Cuban enterprises. The sugar bounty under the McKinley Tariff act hurt the planters. The panic and the specific duty under the Wilson-Gorman act intensified the depression.

Political discontent was added to economic uneasiness. The reforms promised in 1878 had never been fully realized, and Cubans were restless under the close control maintained from Madrid. They believed they could manage their own affairs and desired a large measure of self-government. Over in the Dominican Republic some of the exiled leaders of the previous uprising watched the rising tide of dissatisfaction, and in the early nineties thought the time had come to raise again the banner of revolt. José Marti, the intellectual and political leader, and Máximo Gomez, the military chief, managed to return to eastern Cuba where the more important sugar plantations were located. From the United States, where there were many exiled Cubans, they secured funds and supplies.

Gomez's plan was to terrorize the eastern end of the island by guerilla attacks, tie up the sugar industry, cut off Spanish revenue, and stimulate interested Americans to urge intervention. Soon it was next to impossible to plant or to harvest the cane except close to garrison towns. Hundreds of the unemployed joined the movement, and warnings, in the form of machetéed workers who had failed to heed Gomez's threats, in smoking cane fields or ruined machinery, met the eye on every hand. The Spanish policy was to fight fire with fire. Captain-General Blanco's comparatively mild methods did not please home authorities and he was replaced by Weyler with almost dictatorial powers. To meet the tactics of the rebels he established *reconcentrado* camps, to which all workers in the disaffected area were ordered to report. This placed the poor peasant in an unenviable position: forbidden to work by both sides, he had the choice of joining the insurrectionists or of going to a concentration camp to suffer and perhaps die in an insanitary enclosure where facilities for housing and feeding thousands were totally inadequate. It soon became a question which method was the more barbarous or which side indulged in the more revolting practices.

THE REACTION OF THE UNITED STATES

In the United States the progress of Cuban disintegration was closely followed. Those who had a stake in the island were joined by people who viewed sympathetically the efforts of the insurrectionists, whose plight they likened to that of the American colonist in 1776. Certain newspapers, notably those owned by William Randolph Hearst, fanned the flame with editorials and news items. The Spanish government charged, and rightly, that the American public was fed with propaganda which painted in darkest colors everything the constituted authorities did, and ignored most of the mistakes and faults of the *insurrectos*. In New York was organized a *Junta*, a sort of supervising council composed mostly of expatriated Cubans, which had little difficulty in raising money to purchase supplies and which saw that inflamatory material was given to the press. More difficulty was experienced in getting men and arms and money to Cuba, but the task was not impossible. The Spanish government complained of lax enforcement of American neutrality laws, and with some reason, during the earlier portion of the struggle. Although customs officials, backed by naval authorities, tried to check filibustering, the lower federal courts at first uniformly refused to see any violation of law. Finally, when a case had been carried to a higher court, this laxity was suppressed and thereafter a vessel against which evidence had been collected could not so easily prove its innocent character. More trouble was created when naturalized American citizens, mostly of Cuban birth, were apprehended, thrown into prison or otherwise grievously treated. It did not take much to arouse the truculence of the American people already irritable under a succession of pin pricks.

Congress reflected the growing impatience of the country when by resolution [1] it declared that the United States ought to recognize the rebel government in Cuba and intervene, if necessary, to put an end to Spanish misrule. The president let it be known that he considered the resolution merely an expression of opinion and that constitutionally the conduct of foreign affairs was vested in him. Two days before the resolution was passed Secretary Olney tendered the good offices of the United States on a basis of the restoration of peace and a greater degree of self government for the Cubans. The Spanish government refused the mediation and complained again about the lax enforcement of American neutrality laws. In his annual message of 1896 Mr. Cleveland referred to the Cuban disorders and hinted that the time might come when the United States would be forced to take a more active interest if conditions did not improve.

McKinley and the Cuban Situation

This was the situation when the McKinley administration came into office. Skillful handling by the state department was needed, but political exigencies had not provided the master hand. Marcus A. Hanna had not earlier sought political preferment, and while he was disinterested in promoting McKinley's nomination and election, he now desired ardently to become a United States senator. John Sherman, however, was in the way. He was appointed secretary of state. Thereupon the governor of Ohio appointed Hanna senator, and subsequently the Ohio legislature elected him for the full term. Two interpretations could be and were placed on the transaction: opponents of the administration said that Sherman had been kicked upstairs in order to make a place for Hanna; friends of the president maintained that the promotion was due one of the foremost men in the party. No proof has ever been presented to show that anything like a bargain was struck, or that Mr. McKinley felt that he was a party to a political game. Nevertheless the fact remains that Mr. Sherman was getting old, his memory was poor, and all things considered there could scarcely have been made a more unfortunate appointment. He had been in office but a short time when his failing powers were made manifest by a gross error, and after that Judge William R. Day, assistant secretary, really ran the department and before many months became secretary of state. The anomalous situation did not render the American government stronger in the face of a difficult situation.

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[1] The resolution passed the senate by a vote of 64 to 6 on February 28,1896; the house concurred April 6 by a vote of 246 to 27.

Cuban affairs, however, were improving after a liberal ministry, under Señor Sagasta, assumed office in Spain. One of the first acts of the new government was to replace Captain-General Weyler by General Ramon Blanco who was ordered to bring hostilities to an end with a promise of negotiations leading to an autonomous Cuba. Furthermore Dupuy de Lome, the Spanish minister to the United States, was given instructions which were calculated to produce an improved American attitude. But the revolutionary party in Cuba was no longer satisfied with a promise of autonomy: nothing less than independence was demanded. Much was made of the fact that the promises of 1878 had been made good to a much smaller degree than had been reasonable to expect.

By the time congress met in December more fuel was ready to be added to the flames. Senator Proctor of Vermont had, during the recess of congress, gone to Cuba, and in a speech in the senate told what he had seen. Coming from such an authority the story of the miserable conditions in *reconcentrado* camps, with starvation, sickness and death on every hand, carried great weight. Consul-General Lee at Havana sent back discouraging reports. Nevertheless President McKinley felt that so far as Cuba itself was concerned the tide had turned and a better outlook existed. The president seems to have been convinced that the whole tangle was going to be cleared up, and he set his face determinedly against the rising war spirit. With congress it was different. That body came to Washington fresh from contact with constituencies tired of delay. The annual message, however, checked the belligerent spirit, while administrative influence calmed individual members.

Two new factors, coming close together in February, 1898, swept away restraining influences. In December, Señor de Lome in a private letter commented on the whole situation and made some not altogether complimentary references to President McKinley. The letter was stolen from a mail pouch in Habana and was published in a Cuban newspaper. Word was immediately sent to the Spanish minister who cabled his government and placed his resignation in the hands of his chief, knowing well that the letter would be printed in the United States and that it would destroy completely his diplomatic usefulness. A day later the New York *Journal* did print it in facsimile and translation. The Washington government asked if the letter were authentic, and De Lome, admitting the fact, maintained that it was not an official document, and furthermore the translation made the obnoxious expressions appear worse than they actually were in the original. An aggravating factor was a statement which seemed to imply that Señor De Lome's negotiations for a new commercial treaty with the United States were a mere subterfuge to obscure the Cuban issue. Popular clamor, if nothing else—and it was clear that De Lome's usefulness was gone—forced Mr. Day to request the minister's withdrawal. Those who had been fed for three years with stories of Spanish duplicity and cruelty felt that here was convincing proof that the American government had been trifled with and that the time for passivity had gone. The Spanish government was charged with bad faith, both to Cuba and to the United States.

Late in January Consul-General Lee had reported that demonstrations of a political nature in Habana threatened foreigners and their property, and he advised sending a war vessel to be ready to land marines if they should be needed. The battleship *Maine*, one of the crack vessels of the new fleet, was then dispatched to Habana, but no sooner had it gotten beyond reach of communication than a cable from Lee stated that it might do more harm than good in a Cuban port. However, the *Maine* reached Habana and quietly took the place assigned to it by the harbor officials. After some three weeks, during which everything was progressing favorably, the American public read on the morning of February 16 that the *Maine* had been destroyed by an explosion the night before, and that the greater part of her crew had perished. People jumped to the conclusion that the vessel had been blown up by connivance of the Spanish officials. Both governments promptly ordered commissions of investigation. The American experts reported that the initial explosion had come from some sort of infernal machine on the outside of the hull, while the Spanish officials maintained that the trouble started in the magazines of the ship itself.[1]

INTERVENTION

Congress reflected the anger of the people and President McKinley had his hands full to prevent an unseemly demonstration. The president's position was a difficult one. He was sincerely desirous of peace and he believed that the Cuban question could and would be straightened out if given time. The Spanish government was going as far and as fast as an hidalgo could, and taking everything together it was not unreasonable to expect that with the exercise of more patience and tact Cuba would get autonomy. On the other hand the people of the United States felt that national honor was involved and the Mississippi valley, particularly, insisted that intervention take place immediately. Furthermore McKinley was strongest in the West for the East had never been wholly reconciled to his nomination and election. To stand out for delay, to insist that congress keep its hands off and let the administration work the matter out, inevitably would have split the Republican

[1] It was not until thirteen years had passed that the government of the United States ordered the raising of the hulk. The majority of the investigating board decided that the initial explosion had come from the outside, although a minority was not convinced of the fact.

party. Hence Mr. McKinley was faced with two disagreeable alternatives: yielding to the intervention demand, which meant war with Spain and a postponement if not a wrecking of the economic plans of the administration; or defiance of popular pressure upon the eve of congressional elections, which would deliver the house into the hands of the Democratic party. Under the circumstances the president yielded, after as long a delay as was possible and after vain efforts to hurry the Spanish government, and sent, on April 11, a message asking congress to authorize him to intervene in Cuba. This was met by a declaration of war from Spain, and then congress declared the existence of a state of war. That external events made intervention and subsequent war inevitable is open to question. Except for certain quibbles over what were really minor details the Spanish government had apparently yielded all that was important. Time, and not very much of that, was evidently all that was required to save the face of the Spanish government and at the same time bring about the necessary changes in Cuba. The war, which began immediately, was in itself, a puny affair. It was over, so far as the real military and naval events were concerned, before July ended. In results, both immediate and remote, however, it was neither puny nor insignificant.

The War with Spain

Shortly after the events of February, steps had been taken, particularly with the navy, to put the United States in readiness for whatever might come. The battleship *Oregon*, the only first-line craft on the Pacific coast, was ordered to the Atlantic and appeared in Florida waters late in May, in time to participate in some of the activities in the West Indies. The bulk of the navy in the Atlantic waters, under Rear-Admiral Sampson, was concentrated for blockading purposes and, as soon as intervention had been decreed and war declared, the investment of Cuba began. Spain's naval force in West Indian waters was small, although her land forces amounted to some 10,000 soldiers in Porto Rico and over 275,000, on paper, in Cuba. Before the end of April a squadron of four armoured cruisers and two torpedo boats under the command of Admiral Cervera left Spain and, late in May, slipped into the harbor of Santiago de Cuba to support Captain-General Blanco.[1]

While the American public was wondering what Admiral Cervera was about to do, events of greater ultimate import occurred on the opposite side of the world. In accord with plans worked out largely by Theodore Roosevelt, assistant secretary of the navy, Commodore Dewey, commanding the Asiatic squadron, proceeded from his station at Hong Kong to the Philippines. There was little else to do: Dewey could not remain at Hong Kong without being interned for the duration of the war; the only alternatives were making for a home port, thousands of miles away, or striking at and securing some position upon enemy territory. On the morning of May 1 Dewey entered Manila Bay, and attacked the Spanish squadron under the guns of the fortress of Cavite. Land batteries and the guns of the fleet were silenced after a few hours bombardment with rather heavy loss for the Spaniards and practically no damage to Dewey's command. Astonishment bordering upon bewilderment seized the American public: the war, it had been thought, was an affair of the West Indies; that it should have reverberations in the Orient was beyond comprehension. Slowly it was understood that freeing Cuba was not a simple proposition.

For the administration the Oriental aspects of the war involved much more than anyone had anticipated. In the first place the fleet must be given military assistance. Troops must be assembled at San Francisco, transports provided, and men, munitions and supplies sent across the Pacific. Consequently it was about two months after the defeat of the Spanish squadron that General Merritt arrived in Manila Bay with an advance guard of two regiments. Meantime Dewey's position was delicate. Land operations against the Spanish were conducted on a small scale by some insurrectionists whose leaders had been taken to the Philippines from China by the American fleet. English, French, Japanese and German squadrons appeared at Manila. According to custom Dewey put into force certain harbor regulations which were observed by all except the Germans until the American commander precipitated the issue by virtually giving von Dietrichs the choice of compliance or conflict. The commander of the English squadron, it was understood, had orders to support Dewey should there be any open break, although just what the understanding between the two officers was or what Dewey communicated orally to von Dietrichs was not published until much later.

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[1] One of the ludicrous features of the war was the fear of the whole Atlantic coast that an attack was impending from some Spanish fleet. Such was the demand that in a few instances some old monitor dating back to Civil War times was stationed in a harbor to give a sense of security to people who did not stop to think of how little real service such a craft would be in any real crisis.

HAWAIIAN ANNEXATION

Another unforeseen result of the war affected the Hawaiian islands. Manila was some six thousand miles from San Francisco; irrespective of the ultimate outcome, there was the actual problem of reinforcing both naval and military arms until the cessation of hostilities. Some halfway station in the Pacific was virtually a necessity. Accordingly those who had still cherished hopes of annexation of the Hawaiian group found an almost irresistible argument in support of their contention. A new treaty for annexation had failed to receive sufficient support the previous summer, so recourse then was had to the device of 1845 and a joint resolution of annexation passed both houses of congress and received the signature of President McKinley on July 7, a few days after General Merritt had arrived in the Philippines. The resolution recited the action of the Republic of Hawaii in ceding its sovereignty to the United States, and then proceeded to state that the "cession is accepted, ratified, and confirmed, and that the said Hawaiian Islands and their dependencies be, and they are hereby, annexed as a part of the territory of the United States and are subject to the sovereign dominion thereof." The laws of the United States were to apply to the islands, but congress might enact statutes specially applicable; all revenue, aside from that to be used for civil, military and naval purposes was to be devoted to the benefit of the inhabitants of the Hawaiian Islands for educational and other public purposes. All treaties between Hawaii and other countries were abrogated but current customs laws were to remain until other legislation took their place. The United States assumed the public debt. Further Chinese immigration was prohibited. A commission of five persons, appointed by the president, was to recommend to congress legislation for the future organization and regulation of the erstwhile republic. While the form of annexation process used with Texas was followed, there was one important difference: Texas was admitted to the union as a full-fledged state; Hawaii was annexed as a territory. As in 1844–5, so in 1898 the constitutional difference between admitting a state and annexing territory in other than the usual manner was discussed; some maintained that the Hawaiian resolutions violated the fundamental law of the United States. Nevertheless, it is significant of the changed attitude toward the constitution that this view was not accepted by a majority of the people nor by the Supreme Court, when it had occasion to pass upon the act.

EVENTS IN THE WEST INDIES

Before the exploits of Admiral Dewey had become an old story interest shifted to the West Indies. After Admiral Cervera took refuge in the harbor of Santiago it became clear that naval operations alone would not suffice. Even before war came congress had, reluctantly, provided for the increase of the regular army. After the declaration of war the regiments of the regular army were filled and some 300,000 volunteers enlisted. There was a rush to secure commissions; politicians, realizing the potential value of war service in later advancement, were much in evidence. Roosevelt resigned his position in the navy department to accept, under Colonel Wood, a majority in a regiment of "Rough Riders;" William Jennings Bryan became colonel of a Nebraska regiment.

The army of occupation, under General Shafter, was concentrated at Tampa, Florida, and thence transported to the eastern end of Cuba to be used in the investment of Santiago. Numerically greater than the American forces the Spanish army showed itself inadequate for the task assigned, and although aided much by the inefficiency of American officers, was obliged to yield positions which had been calculated to defend the city. Actions of some severity took place at San Juan Hill and El Caney, and it was soon obvious that Santiago was to be cut off from the rest of the island. This rendered the position of Cervera's fleet un tenable.[1] Finally, with the approval of General Blanco and after the city of Santiago was invested and all outside contact cut off, Admiral Cervera on the morning of July 3 ventured the hopeless expedient of making a run for it. One after another the cruisers and torpedo boats crept from the entrance of the harbor, and there ensued a running fight with the American fleet under the immediate command of Commodore Schley, for Admiral Sampson was off on a scouting trip to the westward. Before nightfall all six Spanish vessels were either sunk or beached, and the survivors of the crews were prisoners on American war ships. While in the light of later improvement, American fire was execrably bad, it was infinitely better than that of the Spanish who failed to get home a single really effective shot throughout the whole engagement.

After the flight of the squadron the fall of Santiago was only a matter of time and the Spanish commander, after a two-day bombardment, capitulated on the seventeenth of July. This ended the military side of the war in the West Indies, for the occupation of Porto Rico, which began ten days after the fall of Santiago, was merely the triumphal entry of a force enthusiastically welcomed by the populace and unopposed by the authorities. Resistance to combined American and Philippine forces kept Manila under Spanish authority, and it was not until the very day of the signing of the armistice that it was surrendered.

Faced with the inevitable after the destruction of Cervera's fleet and the fall of Santiago, and recalling its sole remaining war vessels which had been started for the Orient, Spain sought the good offices of the French government in securing a cessation of hostilities, and on August 12 in Washington the preliminaries of peace were signed by Ambassador Cambon and Secretary Day. Negotiations for the definitive treaty were to take place in Paris. Spain agreed to enter the conference on the understanding that Cuba was to be evacuated, Porto Rico surrendered as a war indemnity, and the status of the Philippine Islands determined at the conference.

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[1] The American commander had approved an attempt of Lieutenant Hobson to sink a vessel across the outlet of the harbor, an attempt which had failed to accomplish its purpose because the fire from the land batteries prevented the hulk's being swung directly across the channel.

European Attitude

The war from a military point of view was a trivial affair. It had, however, assuaged the blood lust so manifest in the United States during the nineties. In addition it brought a number of revelations of varying importance to the American public. Internationally there was astonishment at the outcome. Few Europeans believed that it would be a one-sided affair; indeed, military experts were inclined to place the odds upon Spain. Little European sympathy was with the United States. American humanitarian protests about Cuba were looked upon merely as a ruse by which to continue the long course of land grabbing which had carried the original thirteen states across the continent to the Pacific. Moreover, European nations had for some twenty or thirty years been engaged in a mad scramble for colonial possessions; Africa had been partitioned, Asia was the scene of concessions, "spheres of influence," and political manoeuvring. The United States hitherto had for the most part confined its attention to the New World and had scarcely been a factor in world politics. Now no one could tell to what extent the adjustments of the Old World would be shaken. Besides all this there was a feeling that the American nation was a sort of upstart in the affairs of the world. One notable exception to the prevailing lack of sympathy for America was found in England. Many causes contributed to this end. The happy solution of the Venezuela issue, the somewhat isolated position of England in European matters, a certain community of interest with the United States in respect to Oriental policies, the tactful administration of the American embassy by John Hay, and, perhaps as important as any one or all the other reasons, kinship which allowed the English to understand Americans better than any other nation, all contributed to create friendliness which, in the midst of so much suspicion and covert hostility, was peculiarly soothing to Americans.

War Revelations

Internally the war demonstrated the truth of some of the criticism of military experts abroad. A small military establishment, little used except in an occasional encounter with the Indians, had bred up a generation of officers with no experience in actual war and with little ambition to keep themselves abreast the times. The War department itself had given evidence of gross inefficiency tinged with something worse, and, unfortunately for many a poor soldier who died needlessly, General Alger, secretary of war, was not the man to reform the department and bring order out of chaos. When the forces were embarking at Tampa there was an insufficiency of transports; great disorder prevailed and regiments were separated, equipment was left behind, cavalry troops were landed and waited days for their horses. Heavy woolen uniforms were supplied for a summer campaign in a semi-tropical climate. Medicines and such supplies were lacking. Food was not always good, and one of the war scandals arose from "embalmed" beef—meat unfit for human consumption which had been purchased by the government from the packers. After active military operations in Cuba were finished no steps were taken to get the troops to a place where there would be a chance to cure the sick and prevent the spread of typhoid, dysentery, and other diseases growing out of insanitary conditions. It was not until a round-robin, signed by most of the officers, brought the matter to the attention not only of the war department but of the country as a whole that steps were taken to remove the sick to Montauk Point, on Long Island. Even there evidence was ample to show that neglect, ignorance and carelessness allowed many a man to die who ought never to have become sick. In the mobilization camps similar inefficiency was shown. The Spanish war demonstrated again the inadequacy of the laws which called into federal service the organized militia of the various states, yet it was not until 1907 that legislation partially cured the evil.

One minor episode, which, however, engaged the attention of the whole country for weeks and finally led to an official investigation, grew out of the controversy as to whether Sampson or Schley deserved the credit for the destruction of Cervera's fleet. It must be said that far more was made of the matter by supporters of the two men than by either of them personally. It was contended by the friends of Sampson that, even though he had not been present when the fight began, everything was carried out in accordance with his plans, and that he had been away on business connected with his position; on the other hand the supporters of Commodore Schley maintained that since he had been in personal command, his should be the honor. The official findings on the whole supported Admiral Sampson, although reverberations of the affair continued to be heard for months and had no little significance in politics.

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The magazines and the newspapers of the time are replete with material of all sorts.

CHAPTER XVI

THE PARTING OF THE WAYS

On the 17th of September, 1898, the *Campania* took from New York the five peace commissioners. Heading the group was Judge William R. Day whose place as secretary of state was filled by John Hay recalled from London. Whitelaw Reid, editor of the New York *Tribune*, and Senators Davis of Minnesota, Frye of Maine, and Gray of Delaware completed the commission; Senator Gray was the sole Democratic member.[1] It was generally thought that it would not take more than six weeks to complete the treaty, for only the disposition of the Philippines was likely to protract discussion.[2]

THE PHILIPPINE ISSUE

The Philippine situation was not simple. At the outset it was generally supposed that occupation was temporary and peace would automatically take American forces away. As the weeks and months passed more factors had to be taken into account. The exiled insurgents taken by Dewey to Manila were headed by Emilio Aguinaldo, who organized discontented Filipinos, armed them with weapons supplied by Americans, and proceeded to harass the Spanish. After the arrival of General Merritt's forces in July there was some co-operation but no real unity of action. Friction developed when the Americans were obliged to intervene to save the Spanish, especially the clergy, from acts dictated more by revenge than by military expediency. If the islands were turned back to Spain a most deplorable condition was bound to ensue; the insurgents would continue the struggle for independence which the weakened Spanish government would probably be unable to suppress and the outcome would be a devasting and indeterminate guerilla war. If the United States should relinquish the islands and insist upon Spain's withdrawal, the resulting situation would be complicated. It was doubtful if the Filipinos could maintain a stable government which would protect life and property. Unless the United States became a protector, there was little probability of lasting independence when several nations were on the lookout for colonial possessions, particularly such very attractive ones as the Philippines.[1] The insurgents, moreover, represented a relatively small group, the *gente illustrada* (enlightened or educated classes), who would pursue a course of vindictiveness against the Spanish, if what had been occurring already was to be taken as a criterion, and exploit the non-Christian tribesmen.

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[1] Considerable criticism was directed against appointment of senators on the ground that they would be hampered when the treaty came before the senate; Senator Hoar of Massachusetts asserted that President McKinley himself acknowledged the force of the argument.

[2] The protocol stated: ". . . the United States will occupy and hold the city, bay, and harbor of Manila pending the conclusion of a treaty of peace which shall determine the control, disposition, and government of the Philippines."

There was a question of national policy in retaining or relinquishing the archipelago. Mr. John Barrett[2] summed up many of the arguments of those who had or desired to have a *point d'apui* for economic operations in the Orient: "We would have an unsurpassed point in the far East from which to extend our commerce and trade and gain our share in the immense distribution of material prizes that must follow the opening of China, operating from Manila as a base as does England from Hong Kong." The islands themselves would supply products and be a market for American manufactured goods. Producers, however, were not all agreed that possession of the Philippines would be an unmixed economic blessing. Cane growers of the Gulf and sugar beet raisers of the West had opposed the annexation of Hawaii for fear of the effect of Hawaiian sugar on the American market. They now joined the growers and manufacturers of tobacco, hemp planters and others in opposing a further breach in the protective tariff wall. Others, ignoring economic aspects, believed that the United States was bound to lose something in competing with European countries for colonial possessions: in sacrificing "splendid isolation" inevitable and detrimental changes would come in fundamental institutions.

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[1] "Talcot Williams made public some years later another explanation of President McKinley's decision which is interesting and appears to be well vouched for. He was informed by a member of McKinley's cabinet that while the President's mind was not yet made up on the question, a personal communication was received from Lord Salisbury who warned the President that Germany was preparing to take over the Phillippine Islands in case the United States should withdraw; that such a step would probably precipitate a world war and that in the interests of peace and harmony it would be best for the United States to retain the entire group." J. H. Latané, *From Isolation to Leadership*, second edition, 85.

[2] *North American Review*, September, 1898.

The "little Americans" opposed a larger group of "imperialists" who resembled the "manifest destiny" advocates of the forties and fifties, and who were serenely confident that their government could take up new burdens and show the world how colonial dependencies should be run. No doubt, just as was the case fifty years before, there was a large amount of disinterested, if not very well informed altruism prevailing, which supplemented the earnest efforts of Protestant missionary bodies to bring pressure to bear on the president. When the peace commission left the United States no definite instructions were given because opinion had not had time to formulate. In other words, the president, who was an adept at having "his ear to the ground," was still in doubt about the ultimate verdict.

The Peace Treaty

The peace conference had little difficulty in reaching a conclusion on all points except those relating to Cuba and to the Philippines. Porto Rico and the minor islands in its vicinity were relinquished to the United States, as well as the little island of Guam in the Ladrones group; public property in the ceded territories was to pass to the United States, and acts which had taken place during occupation were validated. While there was no question about Spain's leaving Cuba there was a long controversy over the Cuban debt. The Spanish commissioners insisted that all or a part of the debt incurred in attempting to repress the insurrection should be assumed either by Cuba or the United States; the American commissioners maintained that this was a Spanish obligation and in no way chargeable to the island. Eventually the American view prevailed, although the United States agreed to "adjudicate and settle the claims of its citizens against Spain" which had arisen out of the revolution. Spain relinquished all title to and sovereignty over Cuba, and agreed to evacuate the island. It was to be occupied by the

United States which should during the occupation, "assume and discharge the obligations that may under international law result from the fact of its occupation, for the protection of life and property." The future of Cuba was left to the government of the United States, for the duration of "occupation" was not specified.

As to the Philippines, the Spanish insisted that the protocol prevented a demand for the islands; they could not be claimed on military grounds for the city of Manila had come into possession of Americans the day after the signing of the protocol. The American commissioners could not agree with this view, nor, in the absence of specific instructions, could they agree among themselves except in recognizing that commercial advantages must not be overlooked, and that "at least" the island of Luzon must be retained. Finally, after the commission had nearly split over the issue, it received from Secretary Hay a cablegram stating that all the Philippines must be kept. To sugar the pill, and in indirect recognition of a flaw in the demand on strict military grounds, the United States agreed to pay Spain the sum of $20,000,000 three months after the exchange of ratifications. The treaty was concluded on the tenth of December. After some discussion the senate ratified it on February 6, 1899, ratifications were exchanged, and formal proclamation was made on April 11. Congress appropriated the money called for by the treaty before the close of the session in March, 1899.

The "White Man's Burden"

Immediately the United States faced the responsibilities of colonial administration: Hawaii, the Philippines and Guam in the Pacific, Porto Rico, and, for an indeterminate period, Cuba must be provided for. Cuba, however, presented a different problem from the others. In April, after the president was authorized to intervene, congress adopted the Teller resolution which asserted that there was no intention of retaining the island. Outside of the United States this was looked upon as a more or less theatrical gesture, a pious expression which could conveniently be forgotten when the time came, but most Americans took the resolution at its face value. Nevertheless the United States had to assume control, restore order, and lay the foundations for self government. In December, 1898, when the Spanish withdrew, American military government was instituted and disordered conditions resulting from a period of revolution and war began to give place to a more equable régime. Sanitary conditions all over the island were improved. Steps were taken to perfect the machinery whereby eventually the native population would be ready to run their own ship of state. In December, 1899, Leonard Wood, now major-general in the regular army, was appointed governor-general of the island, and, with all allowance made for the difficulties in the task of governing a people with a different language, different customs and traditions, his work, as well as that of his predecessor General Brooke, was well done.

In Porto Rico something of the same course was followed, although there were vital differences. While nobody believed that Cuba would long remain in a dependent position, Porto Rico probably would. There was a question whether it should be organized like territories which were destined to become states. In congress some maintained that there was no choice; the Porto Ricans must be made citizens of the United States, and their eventual admission to the union must be contemplated. On the other hand it was pointed out that the population, Negro or mulatto in considerable part, had little governmental experience and that of a kind differing widely from the continental type. Race feeling played its part. The tariff, too, complicated the situation. Already there had come before the courts the question as to whether the schedules of the Dingley act applied to commodities imported from Porto Rico and whether duties should be imposed upon American goods in the island. The president assumed that goods exchanged between Porto Rico and the United States were not dutiable and that the Dingley rates applied to foreign importations. This view met violent opposition from protectionists who feared the effect of Porto Rican tobaccos, sugar, fruits and other products upon the American market. Mr. Payne, chairman of the committee on ways and means, introduced in December, 1899, a bill embodying essentially the president's ideas. Opposition came from two sources, from those representing agricultural districts likely to compete with the Porto Rican products, and from those who feared legal and constitutional complications. The Republicans wished to go slow and not establish precedents which would affect the Philippine and possibly the Cuban situation; the Democrats maintained that there should be no difference between the status of Porto Rico and earlier acquisitions of territory.

In April, 1900, the Foraker bill provided a compromise on both organization and the tariff. There were provided a governor, appointed by the president, an appointive council, who collectively formed one house of the legislature and individually were administrative officials, and an elected house of five delegates from each of the seven districts into which the island was divided. Five members of the council were to be Porto Ricans while the other four might be citizens of the United States. A system of territorial courts was instituted. The electorate consisted of citizens of the island who, before April 12, had renounced their allegiance to Spain, and American citizens who had taken up permanent residence in Porto Rico. Congress did not, however, extend United States citizenship to the Porto Ricans who were to be "citizens of Porto Rico," an anomalous status because Porto Rico had no international standing other than as an American dependency. Instead of authorizing the Porto Rican legislature to select a delegate to sit in the United States house of representatives, there was to be a quasi-diplomatic commissioner accredited to the secretary of state. The Payne tariff bill was replaced by a substitute fixing duties equivalent to 15% of the Dingley rates on Porto Rican goods entering the United States and on American goods in the island, while the Dingley rates were to apply to all foreign goods. The receipts from these sources were to be used for the benefit of the island. Charles H. Allen, then assistant secretary of the navy, was appointed first civil governor, and on May 1, 1900, he took up his new functions at San Juan.

While the house of representatives was at work on the Porto Rican bill the senate took up the Hawaiian question. For nearly two years these islands had continued under the organization which had been in existence for some five years before annexation, while a commission studied conditions. The act which congress passed created a government strictly along established territorial lines. The existing tariff and revenue laws of the United States were extended to embrace the islands and all Hawaiian citizens were made citizens of the United States. Recommendations of the commission on the franchise were followed in continuing existing laws; those who voted for members of the lower house must be able to read and write either the English or Hawaiian language, while electors of the upper chamber must also have a minimum property qualification. The purpose of these restrictions was to prevent undue political influence by a large Oriental population, chiefly Japanese and Chinese.[1]

THE FILIPINO INSURRECTION

The Philippine question was more complicated than that of Cuba, Porto Rico or Hawaii. After cessation of hostilities with Spain attempts to restrain the followers of Aguinaldo led to trouble and finally the insurgents turned upon the Americans, maintaining that they had been promised independence. Even today just what sort of arrangement was made between Dewey and the Filipinos is in doubt. Probably, however, the Filipinos, forced to carry on much of their intercourse through interpreters, allowed their expectations to color their view of the agreement, since all Americans involved in the matter deposed that no promises of any kind were made. Organizing in small bands the insurgents conducted a guerilla warfare principally on the largest island, Luzon. By the end of 1899 General Otis was in command of over 60,000 men and more forces were being sent to him. The northern part of Luzon was being reduced to order, ports were opened, and steps were taken to move the accumulation of hemp which was the principal article of export. One by one the insurgent leaders and members of the so-called government were captured. General de Pilar, the Filipino commander-in-chief, died of fever in February, and the campaign became a matter of suppressing small and more or less isolated bands and capturing Aguinaldo, who, as president of the Filipino republic, seemed to have as many lives and was as elusive as the Mexican Villa some years later.

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[1] Hawaiian, 30,000, Chinese, 26,000, Japanese, 27,000, Portuguese, 15,000, all others (American, English, German, etc.) 10,000.

A Philippine commission, with President Schurman of Cornell University chairman, was appointed to study the situation and recommend legislation. Early in 1900 its report was made public. Despite the prospect of at least months of desultory fighting before the authority of the United States would be recognized, the administration, urged partly by political expediency, determined to appoint a new commission to organize a civil government. Judge William H. Taft, of Cincinnati, headed the new body; Dean C. Worcester, a member of the old commission, Judge Henry C. Ide, General Luke E. Wright, and Professor Bernard Moses were the other members. The new commission began its work in the summer of 1900 and substituted civil for military rule as fast as order was restored.

The congressional elections of 1898 were somewhat affected by the issue of "imperialism," but opposition to it was disorganized and leaderless. Neither party had taken a stand on the question.[1] Nevertheless, after the elections the president announced an intention not to withdraw from the islands and in his annual message of 1899 formulated the Republican position. While the president had had the support of a majority in congress, which passed the necessary acts to suppress the revolt, the forces of opposition were coalescing. In the Republican party itself there were many influential men who still refused to follow, the lead of the majority and made no secret of their opposition to the administration's policy. The Democrats gradually swung around to anti-imperialism, although many were luke-warm in their attitude and some were out-and-out supporters of expansion.

The Gold Standard Act

Imperialism, however, did not exclude other political issues. In the spring of 1900 congress passed a gold standard law. Such an act on the eve of a presidential election showed that the Republicans had confidence in their position: the war and its squabbles had been safely weathered; business had picked up and the country was entering upon a period of economic expansion; wages and prices were advancing and there was much less labor and agricultural discontent. The gold standard act was necessary to redeem the promises of 1896 for otherwise much political capital would be gained by opponents. The act, signed on March 14, 1900, provided that "the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine . . . shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard." Treasury notes of 1890 were to be replaced by silver certificates, and a gold reserve of $150,000,000 was to be kept to redeem treasury notes and maintain the value of greenbacks. However, silver dollars and silver certificates were still to be legal tender. Bonds bearing two percent interest were to refund outstanding obligations bearing a higher rate, providing that in the exchange the older bonds were to be received at no higher value than would represent a return of two and one-half percent. The act showed haste and carelessness. It established a gold standard, it is true, but it did not remove the many incongruities of the monetary system and gave the treasury department a difficult task to maintain a single standard. Furthermore, nothing was done to make the currency more elastic.

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[1] The Republicans retained control of the house and gained several senatorial seats.

Parties and New Issues

It was clearly apparent long before the 1900 campaign that there was to be no such clear cut issue as in 1896. In both parties there was schism: a reactionary group faced a progressive element. Neither of these factions had become clearly differentiated, but there was abroad in the land a spirit of dissatisfaction with policy of "let alone," of standpatism. This spirit had been manifest in state politics; it had led to the election of Theodore Roosevelt as governor of New York; it had produced the insurgent movement in Pennsylvania to prevent the reelection of Senator Matthew S. Quay; and it instituted the contest in the senate to prevent Quay's seating. All over the country there were unmistakable evidences that a constantly increasing number of people were not content to accept unquestioningly the dictates of a political autocracy which had been firmly entrenched so long.

In 1896 much of the protest vote had been allied with the Populist party, which staked all on the silver issue and fusion. Believing that the Democrats would nominate Bryan again, the fusionist faction in 1900 shaped their acts for co-operation once more. Their convention, which met at Sioux Falls, nominated Bryan by acclamation, but a scheme, planned by a conference of Populists, Democrats and silver Republicans, for selecting a vice-presidential nominee fell through, and Charles A. Towne, of Minnesota, was chosen. Their platform reiterated most of the planks of 1896, but on the currency issue urged that the silver certificates, authorized by the gold standard act, should replace bank-notes. The faction which in 1896 had fought against fusion held a separate convention at Cincinnati on May 9, and, as the "Middle-of-the-Road" or Anti-Fusion Populists, nominated Wharton Barker of Pennsylvania and Ignatius Donnelly of Minnesota. With the split of the Populists many radicals who had supported the People's Party in 1896 joined the Socialists who selected Eugene Debs and Job Harriman for their candidates. The Prohibitionists presented John G. Woolley and Henry B. Metcalf. In addition to these, four minor parties including the Socialist Labor had tickets in the field before either of the two major parties convened.

McKinley and Roosevelt

The Republicans found no aspirant opposing McKinley. State conventions, especially in the West, commended the work of the administration and pledged their delegations to support the president; favorite sons were conspicuous by their absence except as possibilities for the second position on the ticket. Hanna had been working for the renomination of his protégé; he had the solid West behind him, and he had disarmed most of the eastern opposition long before the summer of 1900. The Dingley tariff, the gold standard act, "safe and sane" legislation which could not alarm the most timid conservative, and, above all, the successful prosecution of a highly popular war could be added to unquestioned return of "good times" as a record hard to assail. The Republican convention assembled in Philadelphia in June, with but two issues on which there was any possibility of friction; one was the troublesome trust question, and the other was the choice of a candidate for vice-president. With the exception of the trust plank the platform was more or less cut-and-dried. There was a plank advocating retention of the Philippines and Porto Rico. Cuba was to be turned over to her own people as soon as there was sufficient assurance that they could manage their own affairs. On the trust issue councils were divided; some desired the party to take a pronounced stand for curbing monopolistic organizations. More, however, stood with Hanna who believed that, while there were evils in large-scale business, other evils arising from unrestricted competition had been checked by consolidations to the benefit of business as a whole, and this, to him, meant the benefit of society at large. Accordingly, after consultation with McKinley, Hanna himself wrote the "trust" plank which read:

> While recognizing the necessity and legitimacy of honest aggregations of Capital to maintain and extend our trade, especially our rapidly increasing foreign trade, we condemn all conspiracies and combinations intended to restrict trade, limit production and control prices, and favor such legislation as will effectively restrain and prevent all such abuses and protect and promote competition and secure the rights of producers, laborers and all who are employed in industry and commerce.

Under ordinary circumstances the choice of a vice-presidential candidate is of secondary importance in any national convention; the national committee, or even a small inner group of that body, select some man who will swing a doubtful state and appeal to a different section from that represented by the presidential nominee. The president preferred Senator Allison of Iowa; Hanna's choice was Cornelius N. Bliss of New York. Neither of them was willing to allow his name to be used. Others mentioned for the position were Jonathan Dolliver of Iowa, John D. Long of Massachusetts, secretary of the navy during the first years of McKinley's administration, Timothy Woodruff of New York, and Theodore Roosevelt who aroused more enthusiasm than any of the rest.

Roosevelt was the outstanding military figure of the war. He had been a member of the New York legislature, commissioner of police in New York City, member of the Civil Service Commission, and assistant secretary of the navy. After the war he was elected governor of New York in spite of the opposition of some of the regular Republican forces and the cohorts of Tammany. As governor he had managed to avoid a break with Boss Platt and at the same time was instrumental in securing some much needed reform legislation. Altogether he exemplified the rising tide of opposition to old-line politics and the ill-favored alliance between corruption in office and the arrogance of great wealth. In the West, where the cohorts of dissent were strongest, he was looked upon as the one luminary in an overcast sky. Platt, however, feared the support which Roosevelt had gained as governor of New York and he knew that if Roosevelt desired re-nomination and re-election there was no possibility of preventing it. His selection as vice-president, for a nomination was felt to be the equivalent of an election, would remove a dangerous element from local politics and render him innocuous for at least four years. Hanna was not enthusiastic. Although Roosevelt was "regular" he was an unknown quantity. Some of the things he had done made conservatives quake, and Hanna wanted no one of erratic tendencies ready to step into the shoes of the president. Roosevelt himself had said that he was not to be considered. Consequently Hanna stated that he was against Roosevelt's nomination since the position should not be thrust upon one who did not want it. But the convention balked: it wanted Roosevelt and wanted him hard. As a delegate Roosevelt appeared in Philadelphia on June 16 and, according to his own statement, realized the demand for his nomination, reconsidered his decision, and allowed his name to come up. Hanna saw the handwriting on the wall and reversed his position after a futile attempt of the New York delegation to stampede the convention for Long. Then Roosevelt, with 925 votes out of 926, was nominated.

Bryan's Second Candidacy

Bryan was known to be the choice of the Democrats when they met in Kansas City on July 4. In 1899 a boom for Admiral Dewey died of inanition despite the efforts of Democrats who desired to nominate a man who could make some sort of a fight against Bryan. No other pre-convention candidacy could get headway enough to affect the situation. The Democratic platform rebuked the administration and the Republican majority in congress for their imperialism: denouncing the Philippine war, one plank said that a time must be set for freeing the islands; the Porto Rico bill was condemned because it failed to provide United States citizenship and the usual territorial organization. On trusts the platform went much farther than that of the Republicans and assailed concentration of industry, demanding effective federal legislation to restrict combinations with monopolistic tendencies. On the silver issue the party stood where it had in 1896. Many progressive demands, some stolen from old Populist platforms, were incorporated in the resolutions. There was the usual denunciation of a protective tariff. Bryan was nominated and Adlai E. Stevenson of Illinois was chosen to run with him.

The campaign of 1900 followed the lines of the previous one, without, however, creating as much excitement. Bryan tactics were adopted by Roosevelt who stumped the country and invaded the enemy's own territory, the Mississippi valley. Hanna had no difficulty this time in securing adequate contributions in Wall Street. The total vote cast in November was only about 48,000 greater than it had been in 1896. Of the total, 13,964,518, McKinley and Roosevelt had 7,207,923, and Bryan and Stevenson 6,358,133. The election foreshadowed the death of the Populist movement as a national affair, for while some of Bryan's votes unquestionably came from Populists, the Middle-of-the-Road group polled only 50,373. The Prohibition candidates secured four times the vote that went to Barker, and Debs had a total of 87,814. The popular vote was so scattered that McKinley had 292 electoral votes and Bryan 155. When the popular votes for the two leading parties are compared it is seen that the margin was not an overwhelming one for the Republicans, nevertheless the mandate was considered clear. While no one issue had predominated, perhaps that of imperialism had been more prominent than any other, consequently the country was considered to have spoken in favor of retaining the Philippines, and to have approved the measures which settled the status of Porto Rico.

CIVIL GOVERNMENT IN THE PHILIPPINES

Meantime the campaign against Aguinaldo was prosecuted with as much vigor as circumstances allowed. At the same time the Commission was proceeding with its program of extending civil government as fast as the army cleared the way. By the end of 1901 all resistance had ceased except among the Moros of the Sulu group. Aguinaldo was captured and eventually released to become a peaceful resident of the Luzon. On July 1, 1902, President Roosevelt signed the bill providing a governmental organization which remained unchanged until 1907. There was a complete civil administration under a governor-general and an appointive legislative body, the Philippine Commission, composed of members who individually headed administrative departments. Judge Taft became the first civil governor, retaining that position until December, 1903, when he was replaced by Luke E. Wright. In 1907, congress authorized an assembly which, except for a few members appointed to represent the non-Christian tribes, was elective. The franchise was extended to all who had held office under the Spanish régime, and to those who met specified educational or property qualifications. From 1907 until 1916, no important changes occurred.

While waiting for congress to determine a tariff policy for the Philippines the commission established schedules which were considered not wholly favorable to the economic interests of the islands. By the act of March 8, 1902, Filipino goods were allowed to enter the United States by paying a duty amounting to three-fourths the Dingley rates. At the same time all tariff barriers were abolished between Porto Rico and the United States. In 1909 with the exception of sugar and tobacco all Filipino goods were free, and of the restricted articles a fixed maximum paid no duty. In 1913 all restrictions were removed and the Philippines were within the general law applying to the United States. One other troublesome issue had arisen from the ownership by monastic institutions of nearly a half million acres of land principally in the vicinity of Manila. In view of the influence of the friars over the inhabitants it was felt that this almost mediæval establishment was likely to cause difficulties, consequently, after protracted negotiation with the Vatican, the lands were purchased by the government for $7,000,000.

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CHAPTER XVII

THE NEW AGE

At the turn of the century the American people were drawn into the tide of world affairs as they had never been before. For good or for ill a new age had come. It was, moreover, a new age because something of a realization of the significance of material changes particularly of the past quarter century was dawning. Some of the applications of natural law came near rivaling such epoch-making discoveries as the utilization of steam or the invention of gun-powder, yet, while the development was rapid, it was for the most part growth and adaptation so that it did not come with cataclysmic shock. It required cumulative effect to bring home an appreciation of the really tremendous change.

Perhaps nothing was more significant than generally increased physical well-being. Despite differences between groups, and these were tending to increase, people as a whole enjoyed more physical comforts than ever before. Increased production, although not accompanied by adequate dissemination of products, made it possible for a larger number of people to partake of the things which were deemed necessary to a satisfactory existence. Generally speaking the material standard of living in the United States was higher than anywhere else in the world. Literacy, while still far below an ideal standard, was the possession of the mass of the people, while the diffusion of information through newspapers and periodicals reached farther and farther into remote corners of the country. Books multiplied without end. Nevertheless in America there was little of that intellectual renascence which characterized England in the eighties and nineties. The time had not come when the richer flowers of culture blossomed in the soil of material prosperity.

Technical Development

If there was any one dominant characteristic of the new age it was the increased importance of electricity which not only was revolutionizing the mechanical side of life but was remolding society. With the telephone and the electric light came the electric motor which introduced a new era in transportation and entered ever more widely into manufacturing processes. Electric furnaces opened the way to producing new substances or cheapened the process of making known ones. Sending electric currents without wires was a dream which engaged the fancy of inventive minds in the last quarter of the nineteenth century. Real progress dated from the investigations of Hertz in 1886 and 1887. Step by step difficulties were overcome until in the years from 1894 to 1896 Guglielmo Marconi succeeded in perfecting devices by which electric waves could be detected without wires. The apparatus was improved until, in January, 1901, a message was sent from The Lizard in Cornwall to the Isle of Wight, a distance of two hundred miles. Later in the same year a message was sent across the Atlantic and from that time "wireless" telegraphy was an accomplished fact. Wireless telephony was the next step, but it was not until the period of the war that it was made practicable.

An ever growing demand for electricity led to utilization of some of the waterpower of the country. In 1882 the first successful commerical hydroelectric plant was put into operation at Appleton, Wisconsin. During the next decade rapid strides were made, not only in the United States but elsewhere, and by 1891 a station at Lauffen, in Germany, was sending 110 horse power at 12,000 volts to Frankfort one hundred and twelve miles away. By the end of the century a good sized unit could effectively serve an area of at least a hundred thousand square miles. Power sites began to assume an unprecedented importance and it was realized that such natural resources stood on a different footing from mere land or even deposits of ore underground. By 1912 there was scarcely a state in the union which did not have many hydro-electric plants. In New York two American companies were developing 262,300 horse power from Niagara Falls and another drew 48,000 from the canal on the St. Lawrence river with 48,000 still to be developed. In California 435,467 horse power was produced by thirteen large scale concerns and numerous smaller ones. Georgia was making use of 126,927 horse power, Indiana of 151,400, Maine of 233,698, Michigan of 133,102, New York 713,371, Washington 300,510, and other states in proportion to the demands of their respective populations and their resources in water power. A government survey at this time estimated that all told a maximum of 61,678,000 horse power on a basis of ninety percent efficiency existed in the water power, developed and undeveloped, of the United States.

Experiments with self propelled road vehicles had been made for a century. It was not, however, until the internal combustion engine, which was invented before the close of the third quarter of the nineteenth century, offered a more practicable motive power than steam that real advance was made. In 1884 Gottlieb invented a small, high-speed gas engine and followed it the next year with a single-cylinder motor with an enclosed crankshaft and flywheel, which was used on a bicycle. In 1886 Carl Benz developed an engine with a single horizontal cylinder cooled by a water jacket to propel a three-wheeled vehicle. In 1887 Panhard and Levassor began working out the modern system of transmission and by 1894 the essential factors of the modern motor vehicle had been evolved.

In America progress was slower. This was due in part to the tariff which prevented any large importation of foreign machines, and in part to the Selden basic patent which covered the whole idea of internal combustion engines as applied to the propulsion of vehicles—the motor, clutch, transmission—all the essential factors. This patent, which in its embryonic stage originated in 1872, was a stumbling block for all independent investigators, for everyone, no matter what additions or innovations he might produce, was fought in the courts if he attempted to put on the market a motor vehicle without first securing a license. Others persisted in their efforts; men like Henry Ford developed variations of the basic notion, and, in face of courts and their orders, made and then sold motor cars which the public eagerly bought. In 1899 only 600 automobiles were built and sold in the United States; five years later the number had risen to 13,766, and by 1908 to 49,952. It was not until 1909 that the real burst of motor building came, for in that year the number jumped to 114,891. Meantime the Selden patent had been adjudged valid in a circuit court but in 1911 the decision was reversed and no legal obstacle stood in the way of independents. A veritable revolution was wrought by the automobile which required better roads and brought about a general improvement of highways. People were freed from the fixed routes of railroads and trolley cars. Suburbs spread to still greater distances and the whole country lay before the motorist. The motor truck, perhaps even more significant than the pleasure vehicle, drove horses from cities and began to supplant them on farms. Electric railways and steam roads felt the effects of competition, for the motor, more than any other one thing, was responsible for the parlous condition of many urban and interurban traction companies.

Electricity and petroleum opened the way for heavier-than-air flying machines. After experiments by men like Sir Hiram Maxim in England and S. P. Langley in the United States the real advance in aviation came about the beginning of the twentieth century from the work of Wilbur and Orville Wright, Glenn Curtis and others. In 1903 the Wright brothers made a flight of 59 seconds, and by 1905 they had a machine which flew thirty miles in twenty-four and one-half minutes. The next year Santos Dumont flew 220 meters in twenty-one seconds, while Harry Farman, after having made several short flights, in 1908 won the Deutsch-Archdeacon prize for flying around in a circle with a radius of a kilometer. The same year Wilbur Wright beat all records by flying a distance of 56 miles in one hour, thirty-one minutes and twenty-five and four-fifths seconds. After this, flying with heavier-than-air machines was an assured fact. The pioneer work had been done. Along with the development of the airplane went advance in lighter-than-air machines. Rigid and semi-rigid types of modified balloons propelled by motors were tried in many countries, especially with the object of creating new instruments to be used for warlike purposes.

The chemist became one of the most important members of economic society. Both in theory and practice he widened the scope of human knowledge. His field encroached on that of the biologist on the one hand and the physicist on the other. In 1834 the German chemist Runge noticed that under certain conditions he could obtain from distilled coal tar—aniline—a product of an olive hue. In 1856 the first real aniline dye, purple, was made commercially practicable, but from that time more and more colors were obtained until in 1878 artificial indigo was produced. Since the seventies artificial or synthetic dyes have nearly replaced those obtained directly from vegetable and mineral substances. Coal tar furnished other products among which are many drugs and medicines. The investigations in radio-activity of M. and Mme. Curie and others revealed such elements as uranium, polonium and radium. Closely allied with their research has been that of the electro-physicist who has made known the X-ray. While as yet the surface has scarcely been scratched in this field enough has been done to change radically some of the older notions of matter.

From photography evolved the moving picture. Edison's "talking machine" of 1877 was the prototype of the modern phonograph. James Ritty, of Dayton, Ohio, in 1879 received a patent for the first cash register. The first practical typewriter was manufactured in 1875 by Remington & Sons on a model patented by Sholes and Glidden. Otto Mergenthaler of Baltimore in 1886 brought his linotype machine into commercial use. In 1901 the Linotype Junior, at half the price of the larger machine, was made available for country newspapers and small printing offices. The monotype was a machine of greater flexibility but not fundamentally different in principle.

The progress in medicine, surgery and hygienic science was particularly significant. Advance in determining causes of diseases came with isolation and identification of minute organisms, and treatment and cure became rationalized. Malaria was a malady earliest to yield its secrets, but it was not until 1880 that a French army surgeon became convinced that an organism seen under a microscope as early as 1830 was the cause of "ague" or "chills and fever." By 1889 Golgi worked out the whole life history of the malaria "bug" which proved to be a vegetable organism. Experiments were made to determine how this parasite got into the human body, and crucial tests, in England and in Italy, showed the relation of one species of mosquito to the life cycle of the malaria germ.

Other contagious or infectious diseases were submitted to reexamination. Yellow fever, one of the most dreaded of tropical and semi-tropical maladies, periodically affected not only less advanced countries but as late as 1897 cost some ten thousand lives in Louisiana, Mississippi, and Alabama. In connection with the military occupation of Cuba Dr. Walter Reed and his associates determined that the mosquito *stegomyia fasciata* was the host of the organism which caused this disease. Later the germ was isolated and exhaustive tests proved that if this mosquito could be eliminated there would be no more yellow fever. One after another such diseases as the sleeping sickness, typhoid, tetanus and the bubonic plague were found to be caused by definite organisms: in some cases a certain phase of its life cycle had to be passed in the body of a lower animal form; in others no such intermediary was necessary, but, as in typhoid, the germ could pass directly from one human to another or could survive in poluted water or food and so reach another victim. When the germ had been isolated and its life history traced, steps to prevent a particular disease could be taken. Furthermore, through the development of serumtherapy, individuals could be immunized against some diseases permanently or for varying periods of time. Pasteur in France prepared a serum which prevented the development of rabies. Emil Behring was able to remove many of the terrors from diphtheria. Not all diseases have as yet been successfully attacked, nevertheless the advance has been notable. Old diseases like tuberculosis lost some of their terrors through knowledge of causes and through methods of combating them. Others, which a few years ago were not known but which performed their blighting work none the less effectively, have been identified and their conquest begun.

To turn from efforts to alleviate human ills to another phase of scientific advance, some attention must be paid to improvements in instruments of destruction. Especially since about 1876 much advance was made by the new chemistry in the development of explosives. In 1886 picric acid appeared and soon each country had its own formula for a high explosive, such as the French melinite, the English lyddite, or the Austrian écrasite. Just before the World War a derivative of cresol, trinitrocresol, and its derivative, cresolyte, were found to be more destructive than anything yet used. Heavy artillery, both mobile and fixed, was adapted to use the new explosives. Electricity, steam turbines, heavier armor and guns of greater calibre stimulated a race in putting upon the sea more and more powerful ships of war, until the super dreadnaught and the battle cruiser of 1914 made vessels like the *Oregon* and the *Massachusetts*, the last word in naval construction at the time of their launching, seem mere pigmies.

Investigation of Social Phenomena

The period between the Civil War and the close of the nineteenth century was characterized by an extensive and, to some degree, an intensive development of natural resources, with corresponding adaptation of physical devices and social machinery. With the coming of industrialism in full force, with problems arising from different kinds of economic organization—from masses of foreigners not easily assimilated into the whole, and from the political alliances and adjustments which they produced, as well as from the change which was wrought by the exhaustion of public lands—there had to come a time of soul-searching, of orientation. Legislation calculated to deal with the new problems was for the most part mere groping in the dark. Out of all the confused agitation, investigation, legislation and court action, however, some clarity was emerging. There was coming to be less demand for eradication and more for regulation.

The opening years of the new century produced a number of studies intended to present the new forces at work. More or less of a pioneer in this field was Ida M. Tarbell's *History of Standard Oil*, which first appeared serially in *McClure's* magazine during 1902–3. The work was planned to show how a great "trust" originated and what methods it used to build a business which had become world-embracing in its scope. The animus undoubtedly was to demonstrate the evils of "big business." Incidentally, however, Miss Tarbell succeeded in demonstrating to what extent business on a large scale was able to meet modern conditions as a multiplicity of small concerns never could do. *McClure's* magazine also had a series of articles by Ray Stannard Baker in one of which the child workers of the coal mines were described in all the squalor of their hard, monotonous lives; another told of the corrupt alliance between city politics and business on the one hand, and between the government and labor leaders on the other. Still another told about "The labor boss—the trust's tool," in New York. In *Following the Color Line* Baker discussed the conditions of the negro throughout the country, but particularly in the South. In *Leslie's Weekly* Earl Mayo depicted the tobacco trust and Lincoln Steffens took up the inefficient and often corrupt governments of the larger municipalities. Edwin Lefevre in the *Cosmopolitan* explained the origin and working of the smelting "trust" under the Guggenheim domination. Willis J. Abbott pictured the "Carter Harrison dynasty in Chicago," in *Munsey's* magazine, and Gustav J. Karger told about Cincinnati's political boss in *Leslie's*.

After 1903 there was a veritable flood of articles and books dealing with economic, political, and social conditions. Upton Sinclair in *The Jungle* sought to draw attention to the almost unspeakable conditions in packing houses. Frank Norris in a fiction trilogy told the story of wheat in such a manner as to disclose the strangle hold which railroads, elevator companies, and Chicago's wheat pit had on the farmer. The fraud and robbery perpetrated upon the public by patent medicine manufacturers formed the topic of still another series of articles. Scarcely a single line of activity escaped exposure. Some writers were actuated by genuine reforming zeal, were careful in gathering and sifting their facts, and wrote with restraint. Others seemed to take delight in holding up to public scorn the weakness and inefficiency, as well as the corruption of men, solely for the pleasure of dabbling in filth. It was to this group that Theodore Roosevelt referred when, in the course of some informal words spoken at a Gridiron Club banquet in Washington, he likened them to the man with the muck-rake in Bunyan's *Pilgrim's Progress*. "Muck-raker" as a term applied to all "uplift" writers became a word in everyday use.

While a great deal of this kind of exposure unquestionably went beyond the bounds of truth and of good taste, while it was often indiscriminate and partisan, nevertheless it did serve as one of the agencies by which attention was concentrated upon existing evils and helped to set in motion the machinery for ameliorating them. The president himself, as many of his opponents would allege, was one of the principal muck-rakers. Yet the muck-rakers and even Mr. Roosevelt only helped crystallize what was pretty generally in the air. Things had happened and people wanted to know what they meant. Furthermore, the very fact that the pioneer task of subduing a continent was well on toward completion meant that more leisure was available to scrutinize the methods by which the work had been done. Perhaps, too, there was an awakening of the public conscience, which may be but another way of saying the same thing.

GOVERNMENT CHANGES

Among the many things which came in for investigation was city government long recognized as the weakest spot in American political life. Theories current in the latter part of the eighteenth and early part of the nineteenth centuries had fastened upon cities, as soon as they were incorporated, replicas of state or national government. The result was decentralization and division of visible responsibility. The widest door was opened to bargaining and log-rolling, and, when public utilities began to assume a place of importance, gas companies, electric companies, traction companies, all desired favors, some legitimate, others not. Millions of dollars had to be spent in public buildings, on water supply systems, in street improvements. For the most part these favors had to be obtained from city councils, and such bodies were composed, in part at least, of men who were obliged to appeal to their constituents in a very material way. Consequently the road from a bought-and-paid-for constituency to a public utility company which could afford to pay for favors, or could not afford to be "held up" by injurious ordinances, was made short and easy. Everything favored a system of "graft" unless there was watchfulness. Saloons were anxious to have Sunday closing laws ignored; vice desired to flourish unrestrained; even criminals found that in some cities the police would obligingly look the other way if it was made worth while.

When, in the nineties, Mr. Roosevelt was made police commissioner of New York, he found operating a more or less regular scale of tariffs which secured immunity from molestation, all the way from the small shop keeper who wished to use the sidewalks to store or display goods, to saloons, for the most part owned or dominated by great brewing companies, which would dispense their wares at any time and under any conditions. Legitimate privileges had to be bought. In 1902 New York was subjected to one of its periodic spasms of virtue. Tammany Hall was roundly trounced by an enraged public which made Seth Low mayor. General F. V. Greene was made commissioner of police and he proceeded to clean up his department even more thoroughly than it had been done previously by Mr. Roosevelt. Under Mayor Low improvements in the taxing system were initiated to place, in some degree, the burden where it belonged and remove it from persons less able to bear it.

In St. Louis in 1902 Joseph W. Folk was elected circuit attorney and single handed waged a fight against members of a boodler gang, some of whom belonged to the House of Delegates, the common council of the city. All these men were in a group which had received a large sum of money to grant a franchise to a suburban electric railway. Five of the "boodlers" were sentenced to prison for long terms as the result of Folk's attempt to clean up the city. In Minneapolis the notorious Ames administration was driven from office and Mayor Ames convicted and sent to the state penitentiary for six years. In 1903 Chicago underwent a clean-up. The municipal voters' league, organized in 1896, worked steadily to change a city council in which it was believed that twelve of the sixty-eight members were honest. So successful was the fight that in 1903, irrespective of the honesty of its members, the council dared not pass an ordinance which was commonly looked upon as a "grafting" proposition. Instances could be multiplied, but these show what was in the air.

Galveston, Texas, enjoyed the reputation of being one of the worst governed cities in the United States. It had defaulted the interest on its large bonded debt, and had to have its script, in which its obligations were paid, taken at about fifty cents on the dollar. In September 1900 a terrific storm and tidal wave destroyed a large portion of the city. The combination of circumstances appeared to be overwhelming. However, the real estate of Galveston was owned by a relatively small number of men, several of whom were members of the state legislature. They secured the passage of an act by which the charter was revised so that the governor appointed three of a commission of five to run the city. In 1903 the state supreme court pronounced unconstitutional the portion of the law by which three commissioners were appointed, so it was changed to make all elective at large. Each commissioner was to head a department while collectively they were the ordinance making body of the city. It was found that some of the same men who had previously been members of the government were elected under the new charter, but at the same time conditions began to improve, and before long Galveston became one of the best governed cities of the country. The "Galveston idea" spread and, under a general law, important cities like Houston, Austin, Fort Worth and Dallas were fitted with "commission governments."

Iowa was next to take up the notion. The legislature of this state authorized any city of 25,000 inhabitants or over to adopt the commission form. Des Moines was first to avail itself of the privilege and adopted a charter, with a modified Galveston framework, wherein it was provided that the initiative and referendum, protest and recall should be lodged with the voters. By 1917 commission governments of one type or another had been adopted in three hundred and sixty cities of thirty-six states. Among them were Mobile, Sacramento, Denver, New Orleans, Omaha, Jersey City, Memphis, Salt Lake, Spokane, Tacoma, St. Paul, Harrisburg, Buffalo, and Portland, Oregon. In the meantime the city manager type was being tried. This system provided for a council of varying size to determine the policy of the city and the council employed a manager who was responsible for the administration of all the city's affairs. This type of municipal organization did not spread so widely as the commission type, although several cities, some of considerable size, adopted it.

THE "OREGON SYSTEM"

The question of governmental machinery was raised in regard to states. Especial attention was paid to schemes whereby government might be made to respond more quickly and directly to the electorate. The devices which received most consideration were those having to do with direct legislation through the initiative and referendum and the recall of elected officials. The general idea of direct legislation in its practical application was derived from Switzerland where it had been in operation for many years. In 1898 South Dakota amended its constitution so that ordinary legislation might be initiated or referred, but no practical use was immediately made of the device. The real push in this direction came from Oregon. The constitution of this state, framed in 1857 on the model of the Indiana constitution of 1851, was very difficult to change. During the later nineties, however, much agitation took place and produced a radical change in 1902, in spite of the determined opposition of a political machine long entrenched in power. It was made possible to submit to the electorate any legislative proposition or amendment to the constitution if petitioned for by not fewer than eight percent of the voters; five percent of the voters could demand the submission of any law. In 1906 further amendments allowed portions of acts of the legislature to be submitted for approval, and, if an amendment originated in the legislature, it was referred to the voters at the following general election without having to run the gauntlet of a second legislature. Oregon then proceeded to make sweeping changes in her political apparatus. Between 1902 and 1914 sixty-three amendments were proposed and twenty-three were adopted. A large amount of home rule was bestowed upon cities so that, with certain regulations as to franchises, debts and taxes, each municipality became practically autonomous. The jury system was modified, woman suffrage introduced, the time of elections changed, and the poll tax abolished. The people of Oregon likewise turned to hitherto extra-legal political machinery. The nominating convention was abolished and a complete system of direct primaries was instituted. Even delegates to national conventions and presidential electors were chosen by primary and secondary elections. United States senators were virtually selected by popular vote. Direct legislation tended to minimize the importance of the legislature, yet it cannot be said that the general character of legislators deteriorated. One of the new laws was attacked in the courts on the ground that direct legislation was not in accord with the constitution of the United States. The case eventually reached the Supreme Court, which was of the opinion that the question was political and not within its jurisdiction.

The "Oregon system" was studied with interest in other states, and one after another adopted at least a part of the plan. By 1920 no fewer than twenty-three states provided for some kind of direct legislation. Most of the changes had come by 1914 when the World War and its effects turned attention away from questions of machinery of government for some years. One feature of the new system, the direct primary, got its real start in Wisconsin where, under the influence of La Follette and his associates, an attempt was made to break the hold which machine politics had on the whole governmental organization. For some time the direct primary was regarded as a step forward by which most of the evils of machine politics would be destroyed. As time passed, however, criticism arose. It was alleged that more money had to be spent than under the old system, that inferior persons were selected for office, and that the responsibility which came from close party organization was broken down. Reaction set in after the World War and some states re-established wholly or in part the convention machinery.

All these changes were made against strong opposition. Some opponents had small faith in mere tinkering with governmental machinery, others believed, selfishly or otherwise, that the old system was not so obnoxious as many thought. Whatever the stand taken, however, it all emphasized the fact that fundamentally economic and social changes were calling attention to themselves and that the problems of the new order must be faced with something more than ignorant hatred.

BIBLIOGRAPHICAL NOTE

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Something of the changing political and social ideas is found in Charles E. Merriam, *American Political Ideas* (1920); Walter E. Weyl, *The New Democracy* (1912); P. Orman Ray, *An Introduction to Political Parties and Practical Politics* (1913); William MacDonald, *Three Centuries of American Democracy* (1923); A. Lawrence Lowell, *Public Opinion and Popular Government* (1913);

Herbert Croly, *The Promise of American Life* (1912). Changes in governmental machinery are described in Charles A. Beard and B. E. Shultz, *Documents on the State-Wide Referendum, Initiative and Recall* (1912); J. D. Barnett, *Operation of the Initiative, Referendum, and Recall in Oregon* (1915); William B. Munro, *The Initiative, Referendum and Recall* (1912). Munro, *The Government of American Cities* (1912) has some chapters on the newer ideas in municipal government. There is much specialized and general literature in periodical form; the *Political Science Quarterly*, from about 1910 to 1916, contains many contributions on this subject.

In addition to the examples of "muck-raking" writing given in the text, there may be found articles indicative of the new spirit of inquiry in such magazines as the *World's Work*, the *American Political Science Review*, the *Arena*, the *Atlantic* and many others.

The writings of Roosevelt, including his *Autobiography;* Robert M. La Follette, *Autobiography* (1913), and many of the biographical works cited for previous chapters are useful.

CHAPTER XVIII

THE AGE OF BIG BUSINESS

Back in the eighties, when many investigations showed the extent of combination, it seemed that much more development in this direction was unlikely. Then came the anti-trust law which was expected to restore competition. During the nineties, however, further concentration was observable, although hard times checked the tendency for a time. The close of the nineteenth century brought another swing of the pendulum and from about 1899 to 1907 there was greater concentration of capital, more centralized control of wealth, more large-scale industry than ever before. The day of the trust, as such, was over, but the holding company was proving a much more flexible instrument to bring about the same end. In a trust virtually all the stock of the component organizations must be lodged with trustees. The holding company was a corporation itself. The stockholders in concerns which were absorbed exchanged their old certificates for stock in the new corporation according to a definite schedule. While the promoters usually desired to gather in all the stock of the subordinate parts, it was necessary to secure only a majority and sometimes even a smaller amount to have absolute control.

The Mammoth Combinations

The Standard Oil Trust existed from 1882 until 1892. In 1899 the Standard Oil Company was incorporated under the laws of New Jersey and absorbed twenty organizations all formerly parts of the original trust, capitalized at $102,233,000 and with an appraised valuation of $121,631,312. In the next few years the new corporation acquired other properties including an important pipe line and several organizations engaged in the production of oil or gas. Its dividends in the four years following 1899 amounted in all to about $50,000,000 or half its authorized capital, while its stock was worth six times its nominal value. Standard Oil was not a technical monopoly, nevertheless it enjoyed many monopoly privileges: there was no import duty on oil, either crude or refined, but many of the by-products were heavily protected; it owned basic patents; it controlled sources of supply; it had its own terminals and rights of way; and, perhaps, most of all, it had very efficient management. It took both brains and opportunity to make it what it was.

Some of the characteristics of a holding company appeared in the United States Steel Corporation. Incorporated under the laws of New Jersey in 1901 this concern was authorized to manufacture iron, steel, copper, wood and other materials, or articles consisting partly of these substances; to acquire, own, lease, occupy or use ore lands, mines, timber lands; to construct buildings, railways, docks, steamships, waterworks, elevators, gas-works, electric works, etc., although it might not "maintain or operate any railroad or canal in the State of New Jersey;" to acquire trade marks, copyrights, patents, and dispose of the same in any way it chose; and finally, "to engage in any other manufacturing, mining, construction, or transportation business of any kind or character whatsoever, and to that end to acquire, hold, own, and dispose of any and all property, assets, stocks, bonds, and rights of any and every kind," except that it should engage in no business which required the exercise of the right of eminent domain within the state of New Jersey. Its authorized capital stock was eleven million shares of the par value of $100, half in seven percent cumulative preferred stock, and half in common stock, or about twice the par value of stock of the merged companies. The officials of the Steel Corporation proceeded to acquire by exchange for their own stock nearly all that of ten different corporations engaged in some sort of iron or steel production and of one mining corporation. By July 1, 1902 United States Steel had outstanding in common stock $508,302,300, and in preferred stock $510,280,900; in addition there was an issue of fifty-year five percent gold bonds of $303,757,000, of which $159,450,000 was issued to replace $96,000,000 worth of Carnegie stock. It was not long before the men who engineered the merger discovered that they had overestimated, at least for a time, the value of non-tangible assets, for within three years the market value of the stock and bonds had fallen from about $1,265,000,000, where it stood in April, 1901, to about $760,000,000 in December, 1903. The United States Steel Corporation was a security-holding and not an operating organization. Each of the merged concerns continued to function under its own name and with its own directing body. It could maintain its markets, use its patents, copyrights, and trade marks. In short, so far as the world at large could see nothing had changed. Not nearly so large a proportion of the total output of steel in the United States was controlled by the Steel Corporation as was that of petroleum products by the Standard Oil Company. Independent concerns roughly equalled in their output the total of the "trust." Still it cannot be denied that to a certain degree the "trust" was in a position to dictate to its lesser rivals.

The combinations which came into existence about the beginning of the century included seven greater industrials, of which the Standard Oil and United States Steel were the most notable. Prominent among the other five was the Amalgamated Copper Company which was to a marked degree under Standard Oil domination. This organization was incorporated under the laws of New Jersey in 1899 and held the stock of four subsidiaries, the most important of which was the Washoe Copper Company of Butte, Montana, with a capitalization of five millions. It also secured a controlling interest in four other copper producing corporations among which the Anaconda Copper Mining Company, also of Butte, was the largest, capitalized at thirty millions. The Amalgamated was capitalized at $155,000,000, although the total stock of the eight component concerns amounted only to $47,748,500. Its stock, which stood at about 130 in June, 1901, steadily declined until it reached a low level of about 31 in October, 1903. While about half the copper production of the world came from the United States, the Amalgamated produced only about 180,000,000 out of the total American output of approximately 535,000,000 pounds. The other great industrial combinations were the American Smelting and Refining Company, a Standard Oil interest; the Sugar "trust," or the American Sugar Refining Company, incorporated in 1891 and producing in 1904 about fifty-seven percent of the refined sugar of the United States; the Consolidated Tobacco Company, capitalized in 1904 at five hundred millions and controlling 90 percent of American tobacco production; the International Mercantile Marine Company, or "shipping trust," which, for a time, controlled about forty percent of the Atlantic lines. The Mercantile Marine was capitalized at $170,786,000 but the market value of its stock was not much over $70,000,000 by 1904.

Lesser "Trusts"

In addition to the seven major industrial consolidations there were, within three or four years after the opening of the twentieth century, some eighty-five other lesser "trusts," most of them holding and not operating companies. Pianos, paper bags, rubber, ice, paper, glassware, oil cloth, leather, typewriters, meats, chemicals, glue, tin cans, thread, wool, condensed milk, matches, locomotives, twine, harvesting machinery, and a host of other commodities were handled by large-scale organizations. If to these consolidations were added the other industries to which were applied the principles of integration and expansion the list could be swelled considerably.[1]

The example of the Standard Oil and United Steel not only stimulated concentrations in which sound economic principles warranted the venture, but many others where the profits from promotion were the most potent inducements. In New York, for example, a group of men conceived the idea of consolidating the numerous surface, elevated and underground railways into the Interborough Rapid Transit Company. Its stock, heavily watered, was unloaded on a public which soon found that dividends were not forthcoming. Traction and other franchise utilities were favorite game of promoters. Loose public morals on the part of officials and carelessness and ignorance on the part of the electorate frequently made it possible for a shrewd gang of promoters to utilize the natural monopolistic features inhering in these services. Enough of the laxness of an earlier day held over to allow municipalities to be saddled with highly watered public utilities which must charge heavily for their services in order to pay dividends to their stock-holders.

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[1] In his *Truth About the Trusts* (1904) John Moody listed 298 "lesser industrial trusts."

Railroad Combinations

Combination of railroads by 1900 had brought a large proportion of the total mileage of the country into some seven or eight systems. In the twentieth century the movement did not stop. In 1897 E. H. Harriman, who had made the Illinois Central one of the strongest roads in the country, reorganized the Union Pacific with the co-operation of Kuhn, Loeb and Company. The Oregon Short Line and the Oregon Railroad & Navigation Company were reacquired so that the system stretched from Chicago to the Pacific northwest and south to the Gulf of Mexico. An outlet to San Francisco was obtained by purchase of the Huntington stock in the Central and Southern Pacific Railroads. Thereupon the same sort of reconstruction which had rejuvenated the Union Pacific was undertaken. A new entrance to San Francisco was made at a cost of nearly ten million dollars; the Lucin cut-off, across Great Salt Lake, cost about the same. Rolling stock and right of way improvements accounted for an investment of over $241,000,000.

In the northwest the Northern Pacific and the Great Northern roads were competitive over a considerable part of their routes. The Great Northern, under the control of James J. Hill and J. P. Morgan, desiring a route of its own into Chicago, selected the Chicago, Burlington & Quincy as the most satisfactory. Harriman too had had his eye upon the Burlington "partly because it was a competitor for business in the Union Pacific territory, and partly because it might at any time extend its main line from Denver to the Pacific Coast and thus become a rival of the Union Pacific in transcontinental as well as local traffic." [1] Hill had acquired a large block of stock in the Northern Pacific, reorganized by Morgan in 1896, so that the two northwest roads were virtually under the same control. In 1900 both the Harriman and the Hill-Morgan groups began their campaign to control the Burlington. Then, when information of the struggle leaked out, Harriman began to buy Northern Pacific stock

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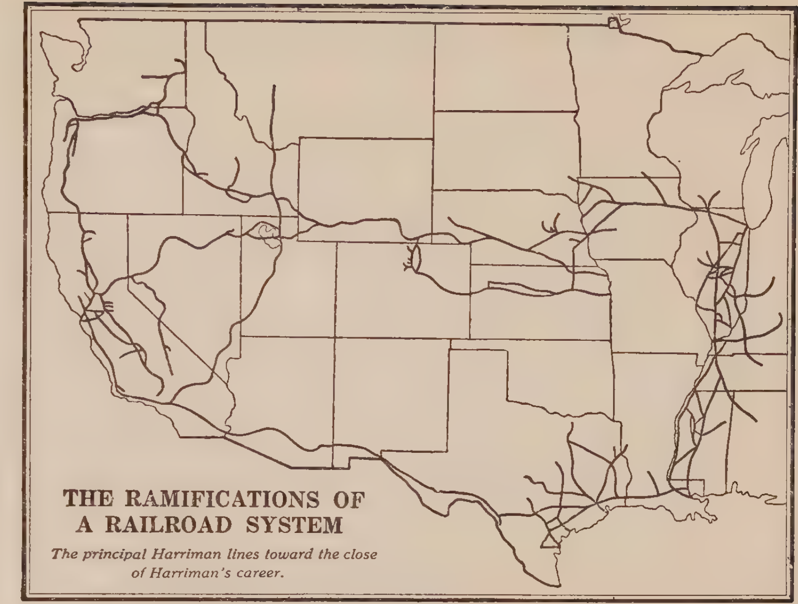
[1] Kennan, *E. H. Harriman*, I, 287.



THE RAMIFICATIONS OF A RAILROAD SYSTEM

The principal Harriman lines toward the close of Harriman's career.

until his group had a clear majority of all stock although Hill and Morgan had a majority of the common stock, so that if they could retire the preferred stock their control was assured. Finally a compromise was reached whereby the board of directors of the Northern Pacific was to be selected by Morgan, with the understanding that Harriman and some of his associates would become directors both of the Northern Pacific and the Burlington, while the Southern and Union Railroads might use certain Northern Pacific tracks between Portland and Seattle. Meantime the Burlington was not to take any aggressive action, as, for instance, by extending its lines toward the coast. The net result was that the Hill-Morgan lines acquired their door into Chicago and access to the plains of Kansas and Nebraska. The Northern Pacific, the Great Northern and the Burlington were now parts of another gigantic system.

Mere control of the Burlington by the two northern roads which jointly owned 98 percent of its stock, did not close the efforts of the Hill-Morgan group to unite these properties. On November 13, 1901, under the laws of New Jersey the Northern Securities Company was incorporated for $400,000,000 by the men in control of the Great Northern and Northern Pacific. Soon after it exchanged its own stock at a par value of $100 for nearly all the Northern Pacific stock at $115. In the course of the next few months 76 percent of the Great Northern stock was obtained at 180. The legality of the combination was denied by the Supreme Court and another conflict between Harriman and the Hill-Morgan group ensued. When the stock of the Great Northern and Northern Pacific was redistributed Harriman lost his commanding position and the three northern roads remained as firmly under the control of Hill and Morgan as though the Securities company had persisted.

The tendency toward consolidation made the "promoter" a prominent figure. He engineered combinations by raising the money to swing deals. His reward usually was in the form of stock issued by the new organization which he would dispose of while the speculating and investing public was willing to gamble on anything. New sources of money were tapped. The great insurance companies had millions to invest, but tradition and sound business principles had long made it an axiom that such concerns must invest their funds in nothing but the safest of securities. The speculative virus, however, infected the officials of more than one insurance company. They lent their resources to distinctly gambling propositions, until investigations led to legislation to protect policy holders. The so-called bankers' panic of 1907 called a halt in the progress of combination, and many an organization went down when the shakiness of its foundations was revealed. After the debris had been cleared away big business still remained, but a soberer spirit prevailed, at least until the outbreak of the World War in 1914.

THE COURTS AND COMBINATIONS

Down to 1904 the anti-trust act had done nothing to check the progress of combination. This failure cannot be charged to neglect on the part of the officials for, between 1890 and the close of the century, there was much litigation. The absence of any real results came from two causes: in the first place the growth of large-scale business was the outcome of changed conditions to which economic organization had been somewhat clumsily adapted; in the second place the anti-trust act was defective and wanting in definiteness. Inconsistencies and contradictions frequently appeared in the opinions of lower federal courts. However, the government actually won more causes than it lost, even if concentration was proceeding apace. Cases where the courts failed to uphold the contentions of the government attracted more attention than others. In 1894 in a circuit court in Pennsylvania an attempt was made to break the sugar combination, but the government's arguments did not convince the judge that this particular organization came within the meaning of the act. In the circuit court of appeals the Sugar Trust was again triumphant, and when the matter went to the Supreme Court the lower courts were sustained. In this case, the United States *v.* the E. C. Knight Company *et al.* (Jan. 21, 1895), the court said, "commerce succeeds to manufacture, and is not a part of it. . . ." "Congress did not attempt [in the anti-trust act] to assert the power to deal with monopolies directly as such; or to limit and restrict the rights of corporations created by the States or the citizens of the States in the acquisition, control, or disposition of property or the products thereof; or make criminal the acts of persons in the acquisition and control of property which the States of their residence or creation sanctioned or permitted."

Again, in 1896, in the circuit court for the southern district of New York, it was held, in Prescott & Arizona Central Railway Company *v.* the Atchinson, Topeka & Santa Fe Railway Company *et al.*, that a road was not prevented either by the principles of common law or by the anti-trust act from selecting from several corporations the one which should serve as its agent for sending freight beyond its own lines. Another case which aroused much interest grew out of an informal combination of cattle buyers and commission merchants in Kansas City to control the stockyards. When the organization was attacked in the federal circuit court of Kansas (United States *v.* Hopkins *et al.*, 1897) it was designated an illegal combination and the court maintained that the reasonableness of the restrictions did not affect the situation. But when the case finally reached the Supreme Court (October, 1898) the opinion of the lower tribunal was reversed. Still earlier (1892), when an attempt was made to curb the Distilling and Cattle Feeding Company, an organization which controlled the manufacture and sale of seventy-five percent of all distilled spirits in the United States, the court ruled that while it was true "that the indictment charges that the defendants have done certain things with intent to monopolize the traffic in distilled spirits among the several states, and that they have increased the usual prices at which distilled spirits were sold in Massachusetts," none of these things were singly made offenses in the statute.

But as against such interpretations there may be set many in which the courts very clearly were attempting to put in practical form the public desire to see monopolistic organizations checked. One of the earliest of these is seen in the case of the United States *v.* the Trans-Missouri Freight Association. After the government had failed to have its views upheld in either the circuit court of the district of Kansas (1892) or the circuit court of appeals (1893), where it was maintained that it was not the intention of congress to subject common carriers to the restrictions of the anti-trust law, in 1897 the Supreme Court stated that the Interstate Commerce Act and the Anti-trust Act were not inconsistent. The provisions of the latter were intended to apply to all contracts in restraint of interstate commerce or commerce with foreign nations and were not confined to cases where the restraint was unreasonable, consequently the decree of the lower courts was reversed and the case sent back for further proceedings in the light of the decision. A year or so later a similar opinion was handed down in a case arising from a similar set of circumstances involving a Joint Traffic Association which had been organized by the trunk railroads between the Atlantic coast and the upper Mississippi valley. Three of the justices, however, dissented from the majority of the court and one justice, McKenna, took no part in the case. In 1897 the Addystone Pipe and Steel Company, one of a combination to eliminate competition between several companies making iron pipe and to apportion the territory in which each subordinate concern might seek business, as well as to fix prices and the like, was attacked in the circuit court of the eastern district of Tennessee. This court was of the opinion that the anti-trust act did not apply unless the combination directly and substantially interfered with interstate or with foreign commerce, but the circuit court of appeals, with Judge Taft reading the opinion, reversed this decision. In 1899 the Supreme Court affirmed Taft's decision in United States *v.* Addystone Pipe and Steel Company *et al.*, and Addystone Pipe and Steel Company *v.* United States. In several other cases the government successfully prosecuted combinations under the terms of the act.

THE NORTHERN SECURITIES CASE

Of all the cases, however, that which attracted greatest attention was one growing out of the attempt to join in the Northern Securities Company three great railroads of the northwest. In 1902 proceedings were instituted in the circuit court in Minnesota, and in 1903 Judge Thayer pronounced the organization illegal. Another suit, instituted by the state of Minnesota under the anti-trust law of that state, brought from another circuit judge a directly contradictory opinion. The Northern Securities Company appealed from the first decision and on March 14, 1904, Justice Harlan read the opinion of the Supreme Court in which the general ground taken by the circuit court was fully sustained. The constituent railroad companies, said the justice, necessarily ceased to remain in active competition for trade since, for the most part, the Great Northern and the Northern Pacific were parallel and normally competitive. It was not necessary to show that the combination would "result in a total suppression of trade or in a complete monopoly, but it is only essential to show that by its necessary operation it tends to restrain interstate or international trade or commerce or tends to create a monopoly in such trade or commerce and to deprive the public of the advantages that flow from free competition."

Between the passage of the act and 1904 no fewer than twenty-three suits had been instituted by the government and many more had arisen in other ways. Some of the most powerful of the combinations in the United States had been attacked and in a considerable number of cases the government was sustained by federal courts. As time went on the courts tended more to interpret the law in the light of what the public had originally supposed to be the purpose of the enactment. Nevertheless large-scale business as such had not been driven out of existence; it persisted, changing color and form with more than chameleon-like adaptability to conform to changing legal enactments and their interpretations.

Labor Combinations

Big business had its other aspect. If large scale organization was only in its initial stages during the eighties and early nineties, the same may be said of labor organization. After the effects of the panic of 1893 wore off the labor movement entered a new phase. "Class consciousness" was developing. Organizations increased in number and membership, both in and out of the American Federation of Labor.[1] Down to 1911 the Western Federation of Miners, one of the strongest unions of the country was not affiliated. The International Union of Bricklayers, Plasterers and Masons remained independent until 1916 when it added about 80,000 members to the Federation. More important than other independent unions were the four Railway Brotherhoods which, while not affiliating with the Federation, ordinarily co-operated with it especially in its legislative endeavors. The Brotherhood of Locomotive Engineers was oldest and most powerful. Growing out of minor organizations it took its rise in disturbances of the fifties and sixties. The demands and dangers of the craft caused this group to set up a high standard of membership, a standard maintained probably by no other organization in the field of labor or elsewhere. Such an organization as this was in a position to insist on collective bargaining rather than individual effort and, in spite of the determined opposition of railroad companies, won its point so that the principle is now recognized by all railroads north of Mexico. Part of its success was due to keeping agreements even though later developments might show that a poor bargain had been made. Since 1888 the engineers have not engaged in a single strike of importance. The Brotherhood has its own paper, the *Locomotive Engineers' Journal;* it maintains clubs for recreation and improvement; it provides pensions for disabled members, and, with three other brotherhoods, maintains a Home for Disabled Railroad Men in Illinois. The Order of Railway Conductors, the Brotherhood of Locomotive Firemen and Enginemen, and the Brotherhood of Railroad Trainmen are the other three railway organizations which in many respects resemble the original organization both in strictness of rules and in solidarity of action.

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[1] Professor G. E. Barnett, in "Growth of Labor Organizations," *Quar. Jour. of Econ.*, 30; 846, gives figures for the growth.

Between 1898 and 1904 was what is sometimes called the "honeymoon period of capital and labor." Boom times made a strong demand for laborers and wages were relatively good. Unions were recognized by employers and the principle of collective bargaining put into active though not universal practice. This was due in some degree to a readjustment of relations between manufacturers and jobbers whereby the former used the latter as agencies, or else came into direct contact with the ultimate consumer. In either case increased profits put the manufacturer in a better mood to concede more in the way of increased wages and better working conditions. On the other hand wherever an industry had to a greater or less extent come to be controlled by a centralized unit, a "trust," the employer made light of trade agreements, for he could hold out indefinitely against a strike. The United States Steel Corporation, for example, was no sooner formed than trade agreements were abrogated in most lines directly or indirectly under its control. This reaction affected industries which had not become concentrated to any great extent, for employers of labor on a smaller scale began to work for the "open shop." Between 1902 and 1908 especially was this tendency strong.

Labor Legislation

At the opening of the twentieth century considerable legisation dealing with various aspects of the new problems took place, for the most part by state legislatures. In 1874 Massachusetts under its police powers had limited the working hours for women and children to ten in each twenty-four. As time went on the police power was less invoked, and a bold assumption that it came within the province of government to protect individuals by class legislation was avowed. Moreover, the restrictions of the fifth and fourteenth amendments, whereby the federal and state governments were prevented from depriving persons of "life, liberty, or property, without due process of law," were beginning to be considered in a different light. At an earlier date such prohibitions were considered to forbid any legislation which deprived a workman of the right to contract to work as many hours as he pleased(?). Recognition that the individual's choice had little to do with the matter finally appeared in court decisions, until, in 1908, the Supreme Court of the United States upheld an Oregon ten-hour law. Laws were also passed to prohibit the employment of children under specified ages. Massachusetts had led by an act in 1866, but for a long time it was not strictly observed in the state nor copied elsewhere. Beginning about 1903, however, rapid progress was made until, outside of the South, nearly every commonwealth had laws to prevent child labor. In the southern states children continued to be employed in factories, so that pressure was brought to bear upon congress to act, both on humanitarian grounds and to equalize conditions between manufacturers. At last the importunity had effect and a national law forbade shipping from one state to another commodities manufactured in plants where children under the age of fourteen were employed. This act was declared unconstitutional by the Supreme Court in 1919 whereupon congress proceeded to impose a tax of ten percent upon such commodities. In 1921 this act also was pronounced void, on the ground that the national legislature could not by indirection accomplish what was out of its power to do directly.

Industrial countries of Europe had come to recognize that in an age of machinery the employee labored under disadvantages which did not prevail when hand tools and individual effort played a greater part. The result was to place upon the employer a portion of the burden which came from accidents incidental to employment. In the United States, however, it was long before employers' liability laws appeared on the statute books. Maryland's act of 1902 was declared unconstitutional. Between 1912 and 1918, however, forty-four states and the territory of Alaska had such legislation, and a similar act was passed by congress in 1916 to affect employees of the federal government.

In several states legislatures attempted to create machinery whereby the economic disruption resulting from strikes might be mitigated. Boards of arbitration were created by law, or provision was made for their formation when occasion for their services arose, in Massachusetts, New York, Iowa and Kansas in the years 1886 and 1887. The federal government in 1884 created a Bureau of Labor Statistics in the department of the interior to collect "information upon the subject of labor, its relations to capital, the hours of labor, and the earnings of laboring men and women, and the means of promoting their material, social, intellectual and moral welfare." In a special message sent to congress during the session of 1886 President Cleveland advised the enactment of a law which would provide for a commission of three to settle disputes between labor and capital in interstate commerce. Subsequently the president in his regular annual message of 1886 renewed his recommendation, but it was not until 1888 that an act was passed. This measure undertook to provide the machinery whereby disputes between railways and their employees might be adjusted; arbitration was to be voluntary and subject to the consent of both parties, but the powers of the commission were confined to investigation alone. Needless to say the act was not very efficacious, although a few disputes were submitted to investigation under it. In 1898 the Erdman act considerably extended the federal government's power of interposition in disputes. If a serious disagreement arose between common carriers and their employees, the Chairman of the Interstate Commerce Commission and the Commissioner of Labor Statistics were authorized to attempt to settle the matter by mediation. If they failed the carriers and the employees might each choose a representative and those two men selected a third who together constituted a board which might make a binding decision. The Erdman act, however, did not suit either party and was especially obnoxious to the railroads. For fifteen years this represented the utmost congress was willing to do in providing machinery by which the public could interpose in quarrels which affected it so much.

The Coal Strike of 1902

Although strikes were becoming an everyday affair, between 1896 and 1908 there were few which drew so much attention as those of 1885-6 and 1894-5. Some were entirely local and most of short duration; others affected the welfare of many people over wide areas. One of these began in May, 1902, when the workers in the anthracite coal fields of Pennsylvania under the leadership of John Mitchell struck for better wages, shorter hours and a readjustment of the system of weighing the coal mined by each person. All told some 147,000 persons were directly involved and the strike continued all through the summer. The operators, the coal owning railroads, headed by George F. Baer, president of the Reading Railroad, refused to arbitrate the demands, even when besought to do so by such influential persons as Senator Hanna or representatives of the Civic Federation of New York City. Two years before, when the presidential campaign was in progress, the operators had been constrained to yield to the miners for, as Senator Hanna pointed out, the chances of Republican success would be greatly lessened if the strike continued for a long period and caused widespread suffering. But in 1902 there was no presidential campaign, and the operators were intent on establishing the principle of the "open shop" and of dealing with individual workers instead of the union. Furthermore, with a probably genuinely honest arrogance, President Baer let it be known that "The rights and interests of the laboring man [would] be protected and cared for—not by labor agitators, but by the Christian men to whom God in His infinite wisdom has given the control of the property interests of this country, and upon the successful management of which so much depends."

President Roosevelt came to the conclusion that the strike must end even if it should be necessary to send federal troops to take charge of the mines. Accordingly he invited Mitchell and the principal operators to a conference in Washington. Mitchell offered to arbitrate, but the operators refused and the conference broke up. The next step was to send Elihu Root, secretary of war, to New York to confer with J. P. Morgan and other Wall Street magnates. So convincing were the arguments which Root was able to present, accompanied probably by intimations that the administration was prepared to utilize the anti-trust act to proceed against more combinations, that the operators thought better of their former stand and agreed to the formation of a commission to which the whole matter was to be submitted. Work was resumed at the mines and in March, 1903, the commission reported and on the whole its findings supported the contentions of the miners.

Radicalism in Labor Movements

Not long after the opening of the twentieth century the people of the United States faced a new and startling phase of the labor problem which first manifested itself in 1903 in a strike of some Colorado miners. This was syndicalism, the doctrines of which were slightly observable in earlier movements. Immediately, however, the notion was derived from the *syndicaliste* movement of France whence it had been spreading in the later years of the nineteenth century to practically all European countries where the industrial revolution had made headway. The central idea of syndicalism was that workers ought to control all the instruments of production: groups of workers should own and dominate industrial plants; the wage system and capitalism alike were to disappear, and economic groups were to take the place of political organizations. After a preliminary meeting of delegates in 1904, formal organization of the Industrial Workers of the World, the I. W. W., came in 1905. The Western Federation of Miners, the United Metal Workers and the Labor Alliance were the principal units in the new organization and of these the first, which later drew out, brought the largest number of members. In 1908 the group split into those who continued to bear the original name and a more conservative faction calling itself the Workers' International Industrial Union. The latter, while it continued to exist, has been weaker than the I. W. W. both numerically and in influence.

Outstanding men who participated in the organization of the I. W. W. were Eugene V. Debs, "Big Bill" (William D.) Haywood, and Daniel DeLeon. They were impressed with the idea that the day of the craft union was past, that as industry on the capitalist side tended more and more to concentrate, so the worker must drop all his petty bickerings and become a member of "one big union." The "one big union" idea in short, was the central theme of syndicalism as it appeared in America. At the outset, and ever since, one of the prime objects of the I. W. W. was to capture the American Federation of Labor which, according to Haywood, was "not a working class movement." The American Federation of Labor, according to the I. W. W., was a sort of aristocracy of labor; it dealt only with skilled trades and left out the unskilled men and women who formed a large proportion of the laborers of modern industrial society. The older leaders of the Federation, however, were not kindly disposed to the "one big union" notion, and they managed to defeat all attempts to turn the Federation into the Industrial Workers. Some of the original leaders of the latter group came to the conclusion that the method of "boring from within" was futile, and came out for definite opposition to the older organization; nevertheless, the work of winning over individuals and separate unions continued so that as time went on many a member of a trade union held an I. W. W. card as well as that of his own local.

The I. W. W. repudiated the methods of the political socialists and advocated "direct action." This meant seizing every opportunity to cripple industry, wearing down the employer by temporary strikes, passive strikes, strikes at a time when tying up the plant would particularly injure the business, sabotage or wilful slowing down of production, in short anything and everything which would discourage those who furnished capital for enterprises.[1] Political action was rejected as having already failed to accomplish anything.

After 1905 the I. W. W. was constantly making itself felt. It staged demonstrations in Youngstown, Ohio, in Portland, Oregon, and other places, but it was not until 1909 that it attracted much notice. Then its connection with a strike at McKees Rocks, Pennsylvania, called attention to its purpose of intervening wherever there was an opportunity, especially when a strike took place and there was no organization or a weak organization of laborers. In 1912, members of the I. W. W. appeared to direct a strike of textile workers in Lawrence, Massachusetts. In the same year a strike in the textile mills of Little Falls, New York, brought I. W. W. organizers. In this contest one of their policies was to clog the courts and overflow the jails by bringing about the arrest of many of their members. In 1913 a somewhat similar situation arose in Akron, Ohio, where fifteen thousand rubber workers struck. Here, however, the public sympathy, which was manifest in the Lawrence strike, was alienated by the violence which accompanied the struggle. The silk workers of Paterson, New Jersey, struck and again the same scene was enacted.

CHANGING IMMIGRATION

The most fertile field for the operations of the Industrial Workers was found among groups of more or less unskilled laborers, who, to a considerable extent, were drawn from immigrants who had been in the country a relatively short time. When the Civil War opened most of the immigrants came from northern Europe, with British, Irish and German predominating. As late as 1870 little change in the character of the incoming population was observable except for a steadily growing stream of Scandinavians. The number from southern Europe, principally Italians, and from eastern Europe (Slavs, Jews, and others) was, however, steadily increasing. From 1887 the immigrants from northern Europe grew fewer while the others steadily increased, both absolutely and relatively. This brought a constantly growing problem of adjusting diverse groups of aliens, from cultural backgrounds radically dissimilar from those of the preponderant elements of earlier years, to fit into the economic and social life of their adopted land.

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[1] When the strike of the Lawrence textile workers took place in 1912 there was printed on the front page of the *Industrial Worker* the following advice: "Boycott Lawrence. . . . *Railroad men: lose their cars for them! Telegraphers: Lose their messages for them! Express-men: Lose their packages for them! Boycott Lawrence! Boycott it to the limit!* Reprinted in Paul F. Brissenden, *The I. W. W., a study of American Syndicalism* (1920, 2d edition), 290.

Year	*Total Number*	*Northern Europe*	*Southern and Eastern Europe*
1887	490,109	352,698 (72%)	129,349 (26.4%)
1888	546,889	397,123 (72%)	141,281 (26%)
1890	455,302	286,147 (63%)	160,659 (35%)
1892	579,633	300,729 (52%)	270,084 (47%)
1895	258,536	141,498 (55%)	111,611 (40%)
1896	343,267	137,522 (40%)	195,684 (57%)
1900	448,572	103,719 (23%)	324,943 (72%)
1901	487,918	115,728 (24%)	359,291 (74%)
1903	857,046	203,694 (24%)	617,931 (72%)
1905	1,026,488	263,039 (26%)	717,391 (70%)
1907	1,285,349	227,958 (18%)	979,661 (76%)

In his annual message of 1881 President Arthur had recommended legislation to control immigration and partly as a result of the advice congress enacted the first general immigration law. This act of August, 1882, levied a head tax of fifty cents on each immigrant to be used to defray the expense of administering the law and of caring for immigrants immediately after their landing. While the direct administration was left to state officials the Secretary of the Treasury was empowered to enter into contracts with commonwealths to enforce the act and see that idiots, lunatics, convicts—except those convicted of a political offense—and those likely to become a public charge, were debarred from the country. The law was very defective, and agitation for further restriction continued. In 1885, contract-laborers were added to the list of ineligibles, and in 1887 the Secretary of the Treasury was authorized to deport as well as to exclude persons who came within any of the designated classes. The next year he was given power to deport within a year any one who was found to have entered unlawfully. In 1888 the house of representatives provided for a special committee to study the whole question, and the report which was returned pointed out that thousands of persons were entering the United States over the Canadian border and at other places where there was no machinery for supervision.

The outcome of the agitation was the act of 1891 which added to the ineligible list all persons afflicted with a loathsome or dangerous contagious disease and assisted persons who could not prove that they should be allowed to enter. The contract labor act of 1885 was made more effective by forbidding the encouraging of immigration by advertising in foreign papers, and steamship companies were prohibited from soliciting steerage passengers. More important still was the creation of the office of Superintendent of Immigration and putting the administration of the law under direct federal control. Congress continued to debate and investigate, and in 1897 passed a bill which provided an educational test of all adult immigrants. President Cleveland vetoed the measure on the ground that such a test was not a device by which desirable immigrants would be admitted and the undesirable excluded. In 1898 an act created an Industrial Commission "to investigate questions pertaining to immigration, and to report to congress and to suggest such legislation as it may deem best upon these subjects." The commission was also to inquire into the whole matter of industrial conditions, causes of labor unrest and the like. When the committee rendered its final report in 1902, a bill in general accord with its findings was passed, after a futile attempt to slip in an educational test. While this act added no startling features to statutes already in force, it codified all the laws on the subject, somewhat extended the list of ineligibles and imposed a head tax of two dollars on each immigrant.

In considerable degree these immigrants responded to the efforts of radical labor leaders. Nevertheless it was in the Mountain and Pacific Coast states where the I. W. W. had first appeared. There, and to a considerable extent in the grain-growing sections of the Mississippi valley, was fertile soil for the doctrines of syndicalism. Fruit-picking and hop-picking in California, Oregon or Washington, or harvesting of grain in the prairie states, demanded a large supply of labor for a short time. Winter brought this drifting population to cities like Duluth, Minneapolis, Chicago, Detroit, or Portland, Seattle and San Francisco. The mining camps of Colorado, Idaho, Washington and other coast and mountain states were filled with a similar shifting labor element. With perhaps a million or more men who wandered with the seasons from one border to the other, with miners whose hours were long, toil dangerous and pay low, with men and women in factories, who, as numerous investigations demonstrated, received wages which could not under any stretch of the imagination be considered adequate to a decent scale of living, one does not have to seek the cause of the rapid growth of such organizations as the I. W. W. alone in agitation of foreign radicals with an axe to grind.

Increased industrial strife brought into play weapons old and new. The strike, the lockout, the sympathetic strike, were all old devices utilized more extensively than ever before. After 1881 boycotts were frequently resorted to in the labor disturbances and during the nineties the anti-trust law was invoked to check them. Boycotting, however, became a national issue when in the case of the Danbury Hatters there was an attempt to collect damages from individual members of the union which instigated the step. The firms affected by the boycott sought relief in the federal courts and in 1903 were awarded $74,000 by the jury; this sum under anti-trust act was trebled by the court and, with costs, amounted to $232,240.12. In 1908 the case reached the Supreme Court on a demurrer, but again the manufacturers were sustained. In 1911 the case was before the Circuit Court of Appeals for a rehearing, and again the hatters' union lost. It was not until 1922 that action to collect the sum by levying upon the property of individual members of the union was completed and necessary orders to effect this issued. A similar boycott, inaugurated by the officials of the American Federation of Labor against the Buck's Stove and Range Company, went before a federal court in the state of Washington in 1908 and 1909 and was twice before the Supreme Court (1911 and 1914), and the unions lost their cause. Gompers, Morrison, and Mitchell, as officials responsible for the boycott instructions, were sentenced to serve from six months to one year in jail. A technicality saved the men from serving the terms.

BIBLIOGRAPHICAL NOTE

A large number of the works listed for chapter VII are useful for the topics of this chapter. Those by John Moody, including *Masters of Capital* (1919), Van Hise, Jenks and Ripley may be especially noted. To them may be added Anna P. Youngman, *Economic Causes of Great Fortunes* (1909); George M. Stephenson, *A History of American Immigration* (1926).

The decisions of the Supreme Court are in the *United States Reports.* Cases growing out of the anti-trust act from 1890 to 1912 are conveniently found in a government publication *Federal Anti-Trust Decisions* (1912), in four volumes. This compilation contains not only the opinions of the Supreme Court but those of the inferior courts as well.

The *Report of the Committee Appointed Pursuant to House Resolutions 42 and 504 to Investigate the Concentration and Control of money and credit* (1913) was the work of the Pujo sub-committee and shows the relation between business, politics and money power in the United States. The *Report of the Legislative Investigating Committee* (1905–1906) reveals not only the way in which insurance companies were linked with big business but the interrelation of business and politics.

Many of the biographies noted for previous chapters, especially those of Roosevelt and Harriman, are worth looking into.

CHAPTER XIX

THE FRUITS OF IMPERIALISM

When Theodore Roosevelt took the oath of office as vice-president of the United States on March 4, 1901, he looked forward to four years of rather unexciting life. Circumstances, however, prevented his getting "fearfully tired" and opened the way to a "more active" position. On the sixth of September President McKinley was shot by a fanatic when he was shaking hands with a long line of citizens at the Exposition at Buffalo. At first there were hopes of his recovery and the vice-president joined his family for a vacation in the Adirondacks. But on September 14 the president died, and Roosevelt proceeded at once to Buffalo where he took the oath of office as president. Immediately afterward he announced, "In this hour of deep and terrible national bereavement, I wish to state that it shall be my aim to continue absolutely unbroken the policy of President McKinley for the peace, prosperity, and honor of our beloved country." A little later, writing Senator Lodge, he said: "It is a dreadful thing to come into the presidency in this way; but it would be far worse to be morbid about it. Here is my task, and I have got to do it to the best of my ability, and that is all there is about it." How much a task it would be he probably little realized. Outside of domestic problems he was called on to face international issues of a far wider scope than any his predecessors had encountered.

The West Indian Dependencies

When Roosevelt sent his first annual message to congress in December, 1901, there had been adopted a tariff policy for none of the dependencies except Porto Rico. Something must be done for Cuba which was on the point of taking over her own government. The necessary legislation for the transfer of authority had been passed by the previous congress. Moreover, what may be considered the general policy of the United States in the Carribbean was incorporated in an amendment to the army appropriation bill, proposed by Senator Platt of Connecticut. The Platt amendment stated that, before money could be used to take the American troops from Cuba, the constitutional convention then at work must incorporate in the constitution certain propositions, and that later these propositions must be put in a treaty negotiated between Cuba and the United States. Cuba must assume no financial burdens greater than her ordinary revenues would warrant; she must enter into no arrangements whereby her independence might be jeopardized; she must admit the right of the United States to intervene whenever it might be necessary to protect life and property; the title to the Isle of Pines was to be left for future consideration; two coaling stations should be leased or sold to the United States; the Cuban government must carry on the sanitary work started by American engineers; and all acts of the military government during the occupation must be validated. With some grumbling the Cuban convention had complied with the demands. The constitution had been adopted and all the preliminaries to transfer of authority had been completed. To start the new nation under favorable conditions justice and the insurance of continued good relations postulated some sort of reciprocal trade arrangement. This was the idea which Roosevelt urged upon congress. The house responded by passing a bill giving preferential treatment to articles upon which the economic life of the island depended. In the senate, however, sugar and tobacco interests were powerful enough to stop all action in spite of the president's formal and informal remonstrance. Consequently the new Cuban government, inaugurated May 20, 1902, faced a difficult situation, exaggerated by the depression which stopped work on many large sugar plantations. Failing to secure reciprocity by legislation the president turned to diplomacy. Toward the end of the year a treaty was framed to admit raw sugar, tobacco, and other island products with duties twenty percent under the rates of the Dingley act; American goods entering Cuba paid from twenty-five to forty percent less than those from other countries. The sugar and tobacco lobbies prevented ratification until the president announced that he would convene the senate in special session on March 4, 1903, to deal with this treaty and one which had been negotiated with Colombia. Backed by an overwhelming public sentiment, which perceived in the reciprocity contest another illustration of the power of "trusts," the treaty received the necessary two-thirds vote.

The Isthmian Canal Project

The war with Spain and the changed situation after the war stimulated interest in an isthmian transit. A project discussed intermittently for four centuries became vital to the United States when there were dependencies on both sides of the world. One obstacle to immediate action, however, was the Clayton-Bulwer treaty of 1850, by which Great Britain and the United States agreed that neither country would obtain or maintain exclusive control over a canal, nor fortify it, nor assume any jurisdiction over adjacent states. At the time the treaty was made it represented mutual concessions, but, as it seemed improbable that the two countries would ever jointly construct a waterway, to the United States it appeared more a self-denying ordinance than anything else. But down to near the end of the nineteenth century there was little inclination on the part of England to abandon her strategic position. The successful settlement of the Venezuela boundary issue and the evident friendliness of England during the Spanish war changed the situation. Accordingly John Hay determined, when he became secretary of state in 1898, to clear international obstructions from the path of a canal. When modification of the Clayton-Bulwer treaty was suggested to Lord Salisbury he instructed Sir Julian Paunceforte, the British ambassador in Washington, to discuss the question and the preliminary steps were quickly taken. Hay was convinced that British complaisance came partly from a desire to gain something for Canada in the Alaskan dispute.

The matter was being freely discussed in both houses of congress, and generally through the country, and opposition to any kind of a treaty developed because, as some alleged, it would be hostile both to Ireland and to Germany. Before negotiations closed the Boer War complicated the situation, for many Americans sympathized with the South African republic. The affair dragged on until congress was in session in the winter of 1899–1900, and a house bill, which quite ignored the Clayton-Bulwer treaty and authorized the government to go ahead with a canal, seemed to be likely to become law. On February 5, 1900, however, a completed treaty was sent to the senate where it was subjected to severe criticism, particularly in that it prohibited the erection of any fortifications. When the senate did ratify the convention it added amendments which, in Hay's opinion, nullified what had been done, consequently he sent his resignation to the president who would not accept it. Other events then intervened so that it was not until nearly eighteen months later that the negotiation was resumed. This time the treaty, which was signed on November 18, 1901, was ratified. It superseded that of 1850 and opened the way for the United States to construct a canal which was to be "free and open to the vessels of commerce and war of all nations . . . on terms of entire equality, so that there [should] be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise." The United States should "be at liberty to maintain such military force along the canal as [might] be necessary to protect it against lawlessness and disorder." This clause, since nowhere in the treaty was fortification prohibited, was later taken to allow necessary permanent works of protection, and such interpretation was not objected to by Great Britain.

The Hay-Pauncefote treaty cleared the way for congress to select a location. The Isthmus of Panama offered a choice of routes, but Nicaragua seemed to most Americans more elegible, especially since the Walker commission appointed by President McKinley had favored it in a report of November, 1901. In part this conclusion was reached because, while it would cost some $45,000,000 more to construct a canal through Nicaragua than across Panama, the Panama Company demanded $109,000,000 for its rights and the commission believed $40,000,000 was all those rights were worth. A bill passed the house of representatives on January 8, 1902, by a vote of 225 to 25 authorizing the president to construct a canal through Nicaragua at a cost not to exceed $180,000,000, and appropriating $10,000,000 for initial expenses. Four days earlier the Panama company, which had been organized to sell the rights and property of the old company, cabled from Paris that its price was reduced to $40,000,000. Thereupon the Walker commission, in a supplementary report, stated that under the circumstances the Panama route was preferable. This report aided the efforts of certain senators, among whom Mark Hanna was conspicuous, to change completely the character of the house bill. Senator Spooner's amendment authorized the president "to acquire from the Republic of Colombia . . . perpetual control of a strip of land . . . not less than six miles in width, extending from the Caribbean Sea to the Pacific Ocean," and to pay the New Panama Canal company $40,000,000 for its property. If the president could not make satisfactory arrangements with Colombia he might turn to Nicaragua. In the house the revised bill met with stubborn resistence, although the vote, 251 out of 267, did not reflect the strength of the opposition.

Obtaining the Canal Zone

Both Nicaragua and Colombia, each convinced its own route would be selected, eagerly followed the discussions of congress. As soon as the Spooner law was signed Secretary Hay began negotiations with Señor Tomás Herran, the Colombian minister, and a convention was ready for presentation to the senate by January 23, 1903. On March 17 it was ratified without change, and the scene shifted to Bogotá. When the Colombian congress was convened to consider the treaty it soon was apparent that the Colombians believed that more could be obtained from the United States than $10,000,000, to be paid immediately, and $250,000 annually after ten years. Then, too, the concessions to the Panama company would lapse before many months, and if action were delayed there was a possibility that the $40,000,000 might go to Bogotá instead of to Paris. In spite of warnings from Washington the Colombian congress unanimously voted to reject the treaty. Certain factions in Colombia were much disappointed; in particular the people of the province of Panama were disgusted at the loss of a golden opportunity.

Panama was the portion of the Colombian republic which furnished the larger part of the national income and it was a hotbed of political discontent. In July, 1903, the American minister at Bogotá had cabled Hay that the Panama congressmen threatened to revolt if the treaty was not ratified. By August the papers in the United States were commenting freely upon the probability of a revolution if the Colombian congress adjourned without favorable action, and confirmation of the general impression seemed sure when, in October, news came that government troops were being sent to the isthmus. By the end of the month the Washington administration learned that in isolated spots a revolt was in progress. Thereupon President Roosevelt, acting under the terms of a treaty of 1846, ordered warships to the isthmus to prevent disorders from tying up the Panama railroad and obstructing transit.[1] On November 2, when it was clear that trouble was imminent, the president cabled the naval officials to

> Maintain free and uninterrupted transit. If interruption is threatened by armed force, occupy the line of railroad. Prevent landing of any armed force, either government or insurgent, at any point within 50 miles of Panama. Government force reported approaching Isthmus in vessels. Prevent their landing, if, in your judgment, the landing would precipitate a conflict.

Meantime there had appeared in Washington a well-known figure in Central American affairs, Monsieur Philippe Bunau-Varilla, who had been associated with the old Panama company. He saw Secretary Hay, President Roosevelt and others, and to all of them announced that the only way of settling the matter was for Panama to revolt. He announced that a revolution would take place and even stated when it was due. The revolution took place. The Colombian troops which reached Colon *en route* for Panama were prevented by Commander Hubbard of the *Nashville* from proceeding to their destination and, meanwhile, on the other side of the isthmus the local authorities, including the commanders of the Colombian garrison, were placed under arrest by the insurgents or else joined them. The next day, November 4, the new Republic of Panama declared its independence. Two days later its existence as a new nation was recognized by the United States. Monsieur Bunau-Varilla was appointed minister to the United States the same day.

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[1] In 1856, 1860, 1861, 1873, 1885, and 1901 marines had been landed to patrol the isthmus, in each case at the request of the Colombian government.

Immediately he and Secretary Hay began negotiations which resulted in a treaty which was signed on November 18. It was ratified by Panama on December 2. Although some opposition developed in the United States senate on account of events preceding its formulation, the treaty was ratified on February 23 by a vote of 66 to 14.

By the treaty Panama ceded a strip of land ten miles wide across the isthmus with the lands, waters, etc., outside the zone necessary for construction or use of a canal; at each end of the zone for three miles beyond low water mark the United States was to have jurisdiction. In the cities of Panama and Colon the United States could acquire necessary land by eminent domain and look after sanitation. No taxes or other impositions were to be levied on the canal or the works in connection with it. In return for these concessions the United States agreed to pay Panama $10,000,000 at once and $250,000 per annum after nine years. In addition the treaty asserted that "The United States guarantees and will maintain the independence of the Republic of Panama." The canal was to be open to all on the terms specified in the Hay-Pauncefote treaty.

Much comment was provoked by the action of President Roosevelt and the state department regarding the method by which the Panama republic came into existence. Charges of a "conspiracy" to foment and aid the revolution were freely made, some of them in congress. The president categorically denied these charges. That there was no conspiracy is demonstrable from documentary sources. Whether it would have been possible to take the steps making a canal possible if the government of the United States had absolutely refrained from interfering on the isthmus lies within the realm of prophesy. It is, however, susceptible of proof that Latin American countries became more suspicious and hostile toward the United States as a result of what took place. The Colombians, after breaking off diplomatic relations, remained aloof and aggrieved for many years.

Work on the Canal

The act of 1902 had authorized the president to appoint an Isthmian Canal commission of seven persons, four of whom, including one army officer, should be engineers. By an executive order of May 9, the commission was put under the immediate direction of the secretary of war, Elihu Root; it was authorized to make all necessary regulations, and one of its members, Major-general George W. Davis, was made governor of the Canal Zone. As steps preliminary to construction of the canal the commission's medical authorities outlined a scheme of sanitation, and in June Colonel William C. Gorgas was made head of the Sanitary Department. Then a postal system was established, and an arrangement was made to stabilize the Panama currency. The large commission proved cumbersome. Some essential preliminary work was done but it went so slowly that President Roosevelt in April, 1905, appointed a new commission which elected John G. Stephens as chief engineer. The engineer, the chairman of the commission, and the governor of the Zone were made an executive committee to have direct supervision of the work. Until the close of 1906 all efforts were exerted to perfect sanitary arrangements, assemble machinery and get ready to make "dirt fly." Meantime a long controversy in congress and generally in the country was decided when a lock type rather than a water-level canal was adopted. In 1907 came both actual digging and a further reorganization of the administration. Tired of having civilian engineers carry on the work for a while and then turn to something else the president made Colonel G. W. Goethals chairman of the reorganized commission and chief engineer. Colonel Goethals stayed by the job until it was completed, and, with the co-operation of Colonel Gorgas, who was made a member of the commission, was principally responsible for carrying to completion a stupendous work.

Extension of Caribbean Interests

The canal was responsible for making Panama a protectorate and stimulated American interest in everything which occurred in the neighborhood of the Caribbean Sea. It led directly to a new and wider application of the Monroe Doctrine which tended to bring most of the countries around that body of water into closer relations with the United States. In 1902 Venezuela was the cause of a demonstration of the new Monroe Doctrine. Like many of her sister republics of Latin-America, Venezuela had suffered from an alternation of anarchy and dictatorship. Obligations, lightly entered upon, were not met, and foreign governments determined to take drastic action in behalf of their nationals. Accordingly in December, 1902, England, Germany, and later Italy broke off diplomatic relations with Venezuela. Germany proposed to establish a "peaceful blockade" of Venezuelan ports, but, on the objection by the United States that such a thing was unrecognized by international law and when England likewise questioned its legality, it was made a regular blockade declared and enforced by all three nations. Several days before the blockade was declared some Venezuelan gunboats had been seized and two forts had been bombarded.

It was a serious situation in which Venezuela found itself. Its authorities, therefore, even before the blockade was established, turned to the United States where Hay and Roosevelt had already been considering what peaceful solution of the tangle might be found. They learned that certain New York bankers were ready to aid Venezuela in adjusting its debt, but, as Hay informed the American representatives in Berlin and London, "the United States Government assumes no obligation whatever in the nature either of a material or moral guarantee of any liabilities created by the transaction." While quite willing that Venezuela should use this method of extricating itself from its financial snarl, the Washington government bent its efforts to persuade the three European powers to submit the issue to arbitration. Germany at first was cool toward the proposition Venezuela made and both Great Britain and Germany were in doubt whether President Castro had in mind submission of all the points at issue or only claims for injuries brought by the recent civil war. Upon Castro's modifying his position and under certain reservations the allied governments came to a decision to accept arbitration even before a formal suggestion of this course was proposed by the United States. Roosevelt, who was asked to be the arbitrator, declined the honor and suggested the Hague Tribunal as an appropriate body, and all parties accepted this suggestion. Considerable delay ensued before the actual submission of the case to the Tribunal, a delay for which the American minister in Caracas was partly responsible, and which roused in Roosevelt suspicions against Germany's good faith.

A prospective canal with approaches to be guarded brought again to the attention of the United States the Virgin Islands which in 1867, Denmark had been willing to sell. During 1900-1901 Secretary Hay, understanding that Denmark would consider getting rid of the group, took up the matter and a treaty was framed for their purchase at a cost of $5,000,000. This time the senate was willing to ratify the contract but it was rejected by the Danish Riksdag, possibly, as Hay thought, through the influence of Germany.

The canal also was responsible for bringing the Dominican Republic within the influence of the new Monroe Doctrine. There, as in Haiti, a century had seen revolution follow revolution and each deposed government left a harvest of debt and unfulfilled concessions. After 1900 particularly foreign creditors urged their governments to act. During 1903 the United States was approached by a foreign government to establish joint fiscal control, but this the administration rejected. In January 1904, the Dominican minister proposed that the United States come to the aid of his government, but this too was declined. During 1904, however, the pressure of foreign creditors increased, and there came the possibility that several governments, among which the Italian was prominent, would proceed to deal with the Dominican Republic as Germany and England had threatened to do with Venezuela. Roosevelt thought that the menace was real, and that it was time to act. Accordingly there was negotiated a treaty by which an agent, appointed on the recommendation of the president, was to supervise the administration of the Dominican customs houses. Forty-five percent of the receipts were to go to the government for running expenses, while the remainder was to make a fund to settle claims. But the treaty received scant attention from the senate even after a second message had been sent to urge action. What followed may be told in the words of the president when he wrote to Secretary Hay, then in Germany:

> Morales [the president of the Dominican Republic] asked us to take over the custom-houses pending action by the Senate. I decided to do so, but first of all consulted Spooner, Foraker, Lodge, and Knox. All heartily agreed that it was necessary for me to take this action. Rather to my horror Taft genially chaffed them about going back on their principles as to the "usurpation of the executive." But they finally took the view that it was not a time to be over-particular about trifles. I also consulted Gorman, who told me that he had taken it for granted that I would take some such action as that proposed, and believed it necessary. I understood, however, that this was merely his unofficial opinion, and officially he is going to condemn our action as realizing his worst forebodings.

Two years later the senate ratified a treaty which regularized the financial arrangement but did not, like the earlier one, embody the Platt Amendment.

Oriental Problems

Imperialism took the United States to the Orient as well as to Latin America, and in the far East more than the Philippines was involved. Search for markets and raw materials had caused Africa to be partitioned among the European powers during the last decades of the nineteenth century, and there were indications that parts of Asia would be similarly disposed of. Asia, however, presented a somewhat different situation for it had large population and an old culture. Nevertheless its millions of people were potential consumers of manufactured products and their land contained natural resources like coal, iron and other minerals as well as fertile soil capable of growing cotton or other products needed in many a European country. The last ten years of the nineteenth century had witnessed a gradual encroachment upon hitherto independent portions of the Asiatic continent, and it appeared not improbable that China might be divided up. England had possessed since 1844 a special footing at Hong Kong. France had extended her control over Indo-China, while Russia, from the north, was looking longingly for a warm-water port on the Pacific. Between Japan and China arose a dispute over Korea, a nominal dependency of the Chinese, which ripened in 1894–5 into a war. Japan's victory opened Korea and forced China to cede to her Formosa and the peninsula of Liao-tung with the deep-water harbor at its extremity. Immediately European chancelleries began to hum and Japan was forced to retrocede the province of Feng-Tien and Port Arthur and be content with the other concessions. Less than three years later, however, came an agreement between China and Russia whereby the latter leased for a period of twenty-five years Port Arthur, the nearby town of Talienwan, and adjacent territories and waters. England, shortly after, received Wei-hai-wei for so long a time as Russia should hold Port Arthur across the Gulf of Pechili. About a year before Russia obtained Port Arthur the German government, as indemity for the killing of two German priests by a Chinese mob, obtained a ninety year lease of the port of Kiau-Chau and railroad, mining and trade concessions in a portion of the province of Shantung. The breakup of China appeared imminent.

The "Open Door"

All this was not a matter of indifference to the United States. With all these foreign concessions there was danger that American merchants would be cut off from a considerable market, for it was obvious that within any designated "sphere of influence" foreigners other than nationals of the favored country would find all manner of obstacles thrown in their way. The first formal protest on the part of the state department came in Secretary Hay's "open door" note of September, 1899, addressed to the American ministers accredited to European powers, in which he called attention to the various Chinese cessions. He asked nations receiving concessions to promise to make no discrimination in treatment of any persons whose governments had treaties of commerce with China. England was first to make a declaration in harmony with Hay's note; then Germany, France, Japan and finally Russia also agreed to the principle.

Hardly had the "open door" policy been accepted by the powers than a movement in China threatened to overthrow the whole structure. Poor harvests, destruction by a flood of the Yellow River, and hatred of "foreign devils" brought rising discontent which the dowager empress crystallized when she seized the government and deposed the young emperor. Early in 1900 the Boxers, as the revolutionists were called, seized railroads and cut off communication between the European legations at Peking and the outside world through Tientsin. The Peking legations were relieved in the middle of August by a joint expedition of Japanese, English, German, French, Russian and American forces. Public indignation rose as details of what had taken place came to light. There was a general demand for some exemplary punishment so that China would never again attempt a similar act and there was danger that China might be carved up completely into spheres of influence. Thereupon Secretary Hay again tried to secure adherence to the principle of the "open door," and after some difficulty, did get what amounted to an agreement that China's atonement should take the form of punishment of the leaders of the revolt and a money indemnity.

The Russo-Japanese War

For a brief time after this interest in the Orient was not active. Then came Japan's attack on Russia in 1904 to check the latter's encroachments in Manchuria. In the course of the war Japan for all practical purposes assumed control of Korea, for there and in China most of the military operations took place. Officially the United States pursued a traditional course by announcing its neutrality but, at a suggestion from the German ambassador, Secretary Hay, on February 10, asked neutral as well as the belligerent powers, to take a stand for the preservation of China's neutrality outside the sphere of hostilities. In January, 1905, from the German ambassador, Baron Speck von Sternburg, Hay learned that his government feared that there was a movement on foot, headed by France, to get the belligerent powers into an understanding that no peace would be possible except on the basis of compensation to neutrals. Thereupon another circular letter was sent to Japan and to European capitals and once more a promise was made to respect China's integrity.

During 1905, as for the greater part of 1904, the fortunes of war went steadily against Russia. But the strain was becoming unbearable, quite as much for the victors as for the vanquished.

This situation engaged the attention of President Roosevelt, who was at the time his own secretary of state since John Hay was abroad vainly trying to combat a fatal disease. He believed that the longer the war continued the more probable was the danger of its drawing in other combatants. Toward the end of March both the Russian and Japanese ambassadors talked to him about peace, but neither side was willing to take the first step. Other considerations beside national honor seemed to be involved: the Chinese felt that the longer the war continued the safer they would be, since both sides would become exhausted and would be in no position to pursue oriental aggressions. France evidently wanted the whole matter placed before an international congress, which was likely to bring about readjustments in the far East and might easily open again the whole question of spheres of influence. The German government was not anxious for such a conference for fear her interests would be neglected, and there was reason to believe that England would not be overjoyed at a too complete success of her ally. However, after Japan's naval victory of May 27 her ambassador received instructions to ask President Roosevelt to use his good offices in arranging an armistice. The president then arranged the preliminaries and invited representatives of the two belligerents to meet in the United States to frame a definitive treaty of peace. At Portsmouth, N. H., the representatives of Russia and Japan met and drew up a document which gave Port Arthur and its environs, as well as the southern end of the island of Saghalien, to Japan. Japan's preponderant interest in Korea was acknowledged, and the civil administration of Manchuria was to be turned back to the Chinese government, although Japan was to control the Chinese Eastern railway from a point just south of Harbin down through to Port Arthur, while Russia was to continue its management of the nothern end. Russia had expiated Japan's humiliation of 1895 and Japan was a "great power."

Rise of the Japanese Question

During the war American public sentiment had been overwhelmingly on the side of Japan, much to the astonishment of the Russians. Hardly had the war ceased, however, than there was a subtle change. There began to appear symptoms of alarm and fear that a new peril was facing civilization, and particularly the United States, was freely expressed. This was caused in part by apprehension that Japan would be a more dangerous foe to the "open door" than all Europe together. More immediate as a disturbing factor was increasing Japanese immigration, especially to the states of the Pacific Coast. By 1905 or 1906 the number of arrivals reached some 25,000 per year, and while this number did not form a large percentage of the total immigration to the United States its localization made an acute problem which manifested itself in many ways. Checking it was not so simple a matter as it had been with the Chinese. Japan, after her defeat of Russia, was a world power, and a law specifically discriminating against her nationals was out of the question. There was also the matter of Japanese migration to the island possessions of the United States, which raised the question as to whether Japan had an eye to the ultimate possession of at least the Philippines. A certain manifestation of suddenly realized nationalism on the part of Japan added to the general uneasiness. The maintenance of a large army and plans for a much greater navy seemed to indicate that the nation was going to put itself in a position to dispute the control of the Pacific with any and all, and particularly with the United States.

All these irritating factors were suddenly concentrated when in San Francisco the local authorities determined on a policy of the segregation of orientals in the public schools. Thereupon the Japanese government made a formal protest to Washington on the ground that her subjects were discriminated against, in violation of treaty rights. While it should not be forgotten that the Japanese as a people were sensitive and most jealous of their honor, prone to resent anything reflecting on their race or their culture, it has to be borne in mind that the summer of 1907 was witnessing a further step in Japan's oriental policy. Already in 1905 the foreign affairs of Korea had been put under Japanese dictation; in July, 1907, the internal administration of the Hermit Kingdom was taken over by Tokio. Shortly afterwards the Korean emperor resigned, and to all intents and purposes Korea became a dependency of the Mikado, even though it was not until 1910 that formal annexation took place. Without minimizing, then, the real concern which the Japanese exhibited for their nationals abroad, it is significant that the acts of foreign governments toward these nationals seldom roused serious protest unless Japan had some more important concern in Asia which she did not wish thwarted.

Secretary Root, now heading the state department, and President Roosevelt labored with both California and Japan. To the Japanese ambassador the president pointed out the fact that the whole question was primarily one of economic competition and not racial discrimination. In the course of a conversation with Ambassador Aoki and Admiral Yamamoto, Roosevelt "talked freely of the intended trip of the battleship fleet through the Pacific, mentioning that it would return home very shortly after it had been sent out there; at least in all probability." The project of sending a fleet of the most important units of the American navy was one which Mr. Roosevelt had close at heart, and sending it in the summer of 1907 when the feeling was running somewhat high both in Japan and the United States was calculated to be a gesture which would help solve the difficulties. Just how much influence it had would be impossible to say, but the fleet sailed,[1] and the Japanese issue was compromised by a "Gentlemen's Agreement." Japan promised to "issue passports to the continental United States only to such of its subjects as are non-laborers or are laborers, who, in coming to the continent, seek to resume a formerly acquired domicile, to join a parent, wife or children residing here, or to assume active control of an already possessed farming enterprise in this country."

EUROPEAN ENTANGLEMENTS

Foreign affairs during the Roosevelt administrations involved not only Latin America and the Orient, but touched some very important European matters. Ion H. Perdicaris, a citizen of the

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[1] On December 16,1907, sixteen battleships under the command of Admiral Robley D. Evans left Hampton Roads. Steaming around South America and passing through the Straits of Magellan the fleet touched at various points on both coasts of the southern continent, and reached San Francisco the following March. From there it proceeded across the Pacific, stopping at Honolulu and Manila, visited ports in Japan, China, and then passed into the Indian Ocean, through the Suez Canal and the Mediterranean, and after stopping at various European ports, struck acrosss the Atlantic and reached Hampton Roads in February, 1909.

United States, had been seized by one Raizuli, a bandit in Morocco, and was held for ransom. After vain appeals by the American consul, Secretary Hay cabled "We want Perdicaris alive or Raizuli dead," and Perdicaris was placed under the protection of the American consul before the month was out. It was Morocco that, some two years later, involved the United States in a far more important international tangle. In Morocco the organized government was, at best, a weak affair. France and Spain had peculiar interest in what went on there. But when France, with the support of England, proposed that steps be taken to settle affairs in Morocco, the suspicions of Germany were aroused. The conference took place at Algeciras in 1906 and its outcome was due in some degree to President Roosevelt acting through the French and German ambassadors in Washington. Nothing, however, of what the president had done, none of the correspondence which had passed between Washington and Berlin and Paris, was known at the time.[1]

The year after the Algeciras conference came another and more significant one in which President Roosevelt had an important share. In 1899 on the call of the Tsar of Russia, delegates from nearly all nations met at the Hague to take up the question of international peace and to make suggestions which might help to banish war. About the only important thing which was accomplished by this first Hague conference was the formation of a rather feeble international court of justice. It was generally understood, however, that another conference would take up reduction of armaments, codification of international law and like matters. A preliminary move by President Roosevelt in 1904 was halted by the Russo-Japanese war. Later Roosevelt withdrew in favor of the Russian government which invited the nations to send delegates to The Hague in the summer of 1907. The American delegation went prepared to urge a real discussion of reduction in armaments, but the time was not ripe for any revolutionary action. Altogether fourteen conventions were framed. The first of these, for the pacific settlement of international disputes, dealt with such questions as good offices and mediation, international commissions of inquiry and international arbitration. The second convention embodied, in part, the Drago doctrine, and had to do with limitation of the employment of force in the collection of contractual debts. The other twelve conventions were codifications of the law of war on land. An attempt to establish an international court with real powers failed. To follow up the work of the second Hague conference at the instigation of the British government delegates from maritime countries met in London in 1909 to codify the rules of war on the sea. The Declaration of London, as the result of their work was called, dealt with such subjects as blockades, contraband, prizes, search, unneutral service, and the like. Some of its provisions were considered rather radical advances, consequently it was not ratified by any power, although generally it was looked upon as embodying recognized principles.

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[1] It is conceivable that neither of the interested European powers was willing to go to extremes in order to achieve its ends; but, based on available information, it is not going too far to venture the opinion that most of the governments of Europe, as well as Mr. Roosevelt, regarded the situation as extremely critical. Even if the part played by the president was not the determinative part, the Algeciras Conference and the events which led up to it demonstrate that in world affairs the United States was virtually forced to assume a responsibility which would have been undreamed of a dozen, or even half that number of years before. Bishop, *Theodore Roosevelt and His Time*, I, chs. 36 and 37, gives an account which may be checked by Sidney B. Fay, *The Origins of The World War* (1928), I, 168–192.

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CHAPTER XX

DOMESTIC POLICIES OF ROOSEVELT

When Theodore Roosevelt announced, after becoming president, that he intended to carry out McKinley's policy he probably did not intend to commit himself to any specified rule or method. McKinley, judging from his previous course, would undoubtedly have faced the issues arising from a changing industrial life as a conservative and a strict party man, although his administration had not been called upon to confront in a definite manner most of the problems raised by increasing concentration of business. Roosevelt, on the contrary, before he was president had raised some alarm in the minds of people who wished "business as usual" to be the motto of the administration. During the fall of 1901 he was called upon by some persons of this group who presented to him the advisability of modifying his expressions about trusts and the like. Little satisfaction, however, was obtained. In his first annual message he said, "There is a widespread conviction in the minds of the American people that the great corporations known as trusts are in certain of their features and tendencies hurtful to the general welfare. . . . It is based upon sincere conviction that combination and concentration should be, not prohibited, but supervised and within reasonable limits controlled; and in my judgment this conviction is right." That such reasonable control might the more easily be exercised he recommended the creation of a Department of Commerce and Industries, and advocated a constitutional amendment bestowing upon congress power to regulate and control corporations where that power seemed to be lacking under the original document.

"TRUST BUSTING"

The first specific administrative step against combinations came in February, 1902, when it was announced that the department of justice was about to test the validity of the Northern

Securities merger in the federal courts. Wall Street received a shock similar to that produced by the assassination of McKinley. While the Northern Securities case was proceeding through the courts other combinations were brought under scrutiny and several other suits instituted. Legal attacks and so many attempts to combine hitherto competitive organizations produced a reaction. The market began to sag under the mass of stock which was being dumped upon it. United States Steel preferred stock, quoted at 101 at the outset, rapidly declined until it touched a low point of 49, while common stock fell from 55 to 10. The merger of trans-Atlantic steamship lines was not as successful as its promoters had hoped. All these factors drove the buying public into a panic further accentuated by the results of trying to corner Northern Pacific stock, by disastrous attempted combinations, as well as by ill-fated speculation in wheat and other commodities. The net result was a sudden tightening of the money market in 1903, the "little panic" or the "Roosevelt panic." But the depression was short lived, so that the reaction against Roosevelt's policies was not great, although in financial circles there was no great love for the "strenuous" president. His popularity with the rank and file of the people, however, was not diminished.

Common carriers also received attention from the president, for the Interstate Commerce act of 1887 was a dead letter. He urged congress to revitalize the Interstate Commerce Commission, and in a degree this was done by the so-called Elkins act, passed and signed in February, 1903. In the words of the report of the Commission in December, 1903, this law made "the railway corporation itself liable in prosecution in all cases where its officers and agents [were] liable under the original law" in cases of infraction of the anti-rebate and discrimination clauses. In other words, a portion of the powers which were supposed to have been granted in 1887 were made effective. In the same session Congress expressed the growing realization that common carriers were in a class by themselves by passing the Railroad Appliances act which required all roads engaged in interstate commerce to equip their rolling stock with various safety devices. The Expedition act, made law just before the Elkins act, gave precedence in federal courts to suits arising under the anti-trust law. Still another recognition of the significance of big business came in the creation of a Department of Commerce and Labor.

The president failed to bring pressure to bear in a way that many even in his own party felt he might when it came to the tariff. President McKinley had surprised many by suggesting, in his address at Buffalo, that the time had come for modifying some schedules and for limited reciprocity with foreign countries. If, as it was so frequently alleged, the tariff was the "mother of trusts," there was no better method of attack than by reducing duties to promote competition of foreign commodities. Roosevelt maintained that on the tariff the Republican party was not a unit; while many, particularly in the West, would willingly revise the Dingley act, others, especially in the manufacturing East, would fight to the bitter end any assault upon the sacred ark. As between a direct movement upon combinations as such and an undermining attack through the tariff, he preferred the former since here he could reasonably count on fairly unified support, a factor not to be lost sight of for future strategy.

Before the first year of his presidency had expired, Mr. Roosevelt took a leading part in a great contest between organized labor and organized capital, the strike of the anthracite coal miners of Pennsylvania. The affair afforded a striking illustration of how he regarded his position and his duties. "There is literally nothing," he wrote Senator Lodge, "so far as I have yet been able to find out, which the National Government has any power to do in the matter." But, since there appeared to be no one else who could interpose in an effective way, acting in his private capacity, as an individual citizen, yet subtly backed by official prestige, he intervened. While this did not endear him to the group already alarmed by his attitude toward "trusts," it unquestionably strengthened him with the public at large.

Not all of the acts of the president met with such wholehearted commendation. One which threatened for a time to create out of a trivial circumstance a situation loaded with political dynamite was his inviting Booker T. Washington, the principal of the Tuskegee Institute, to dinner at the White House. The southern press was outspoken in its condemnation of what seemed to the average southerner an affront to his section. Even in the North some questioned the wisdom of the act. While the tempest was furious for a time, its duration was short, for other and real issues diverted attention. It may, however, be remarked, that either intentionally or otherwise Mr. Roosevelt never gave occasion for similar criticism. Senator Foraker, indeed, found in the storm brewed by the episode an explanation of the president's action in the Brownsville affair a few years later.

The Elections of 1902

When the congressional elections of 1902 came around there had scarcely been time for the country to pass judgment on the course of the president. Nevertheless the reform movements in various parts of the country were symptoms of the same ferment which had begun to affect national politics. One striking manifestation of the changed attitude was the "Iowa idea." In July, 1902, the Iowa state Republican convention, under the leadership of Governor Albert B. Cummins, went on record favoring modification of the tariff, the "mother of the trusts." This revolt in the heart of a Republican region was not only indicative of local disturbance, but had immediate bearing on national affairs, for David B. Henderson, congressman from the Dubuque district and speaker of the house since 1899, announced his intention of withdrawing from active politics since he was unable to see eye to eye with his people. President Roosevelt, not yet having decided to drop the tariff issue, in the course of his 1902 campaign aligned himself with the revolting group when he advocated a tariff revision which should not disturb the essentials of protection but would impart flexibility to the schedules through the work of a permanent tariff commission which he favored.

By the vote cast in November the Republicans maintained their control of the next congress although their majorities were considerably reduced. The result was variously interpreted: to some it meant that a mistake had been made in even suggesting a modification of a fundamental Republican principle; to others it was a warning that if congress did not proceed immediately to deal with the tariff there was danger of losing a large number of Republicans. But when the new congress met in December, 1903, the conservative group retained their advantage and chose Joseph G. Cannon of Illinois for speaker, and Cannon arranged committees so that the "old guard" was dominant. Uncle Joe, as he was affectionately called by both political friends and opponents, had been a member of the house for fourteen terms. Personally likeable he was on good terms with almost everybody with whom he came in contact despite political differences. There was, however, no doubt that under his leadership any radical proposals of the president would get small support in the house. Nevertheless, the speaker and the president remained on cordial terms.

The Nomination of Roosevelt

Conservative Republican leaders, however cordial their personal relations with the president, were averse to continuing him in office after 1905. Accordingly, as early as 1902, they cast about for someone who could successfully oppose Roosevelt. Senator Hanna, with his essential conservatism, his honesty and his quiet ability, seemed a possibility. Hanna not only was strong in the support of conservative business men but he had much backing from organized labor, incongruous as it may seem. Hanna himself may never have taken his candidacy very seriously, but many did, and his course during 1903 and 1904 alarmed those who believed his selection would be a victory for reaction. The first public intimation that he and the president tended to drift apart came in connection with the Ohio state Republican convention of 1903. A majority of the delegates wished the convention to go on record for Roosevelt. Moreover Senator Joseph B. Foraker, an opponent of the Hanna-McKinley faction in Ohio, believed an endorsement of Roosevelt would be a strategic move to strengthen him with the administration, and either force Hanna to back the move or to come out openly against the suggestion, and, by inference, against the president. Forsaker's announcement of sympathy with the idea of endorsing Roosevelt elicited from Hanna a statement in which he questioned the wisdom of such a step. At the same time he telegraphed Roosevelt why he opposed such a resolution. Roosevelt's reply indicated that he felt Senator Hanna's act one of covert hostility, whereupon the latter replied that "in view of the sentiment expressed I shall not oppose the endorsement of your administration and candidacy by our State convention." The newspapers made much of the incident which strengthened the president's position with the electorate.

In spite of various assurances of popular support of the president some of his friends became alarmed at the Hanna episode, coupled as it might be with disaffection of labor on account of Roosevelt's removal of the public printer. Accordingly they sought to prevent the breach between the president and the senator from widening. Hanna, who was sixty-six years old and in poor health, assured Mr. Cortelyou, who acted as one of the intermediaries, that he was not a candidate, but, he said, "I am tired of going to the White House every day, and putting my hand on my heart and being sworn in." All doubt was removed when in February, 1904, Mr. Hanna became seriously ill and a few days later died. There was no other person who could be thrown into the breach, and the nomination of Roosevelt was a foregone conclusion when the national convention met at Chicago. With him on the ticket was placed Charles W. Fairbanks of Indiana, the "human icicle" as many called him. The platform was filled with the usual non-committal planks. Its adherence to the tariff disappointed many; it failed to incorporate some hope for those who urged Philippine independence; it was silent on the question of Cuban reciprocity and held out no encouragement to those who believed that, even if the United States were to continue to hold the Philippines for an indefinite period, something of an ameliorating nature should be done for the duties on Filipino goods entering the United States. Nor did President Roosevelt's letter of acceptance add to the comfort of those who thought he would make good the deficiencies. He said nothing to alarm even those who would have preferred a more conservative candidate.

Emergence of Conservative Democracy

Ever since the Democratic defeat in 1900 division between Bryan's adherents and his opponents had been growing. In addition to this there was a feeling that after two defeats it was time to try another candidate and to stress other issues. But to find a suitable man was not easy. Judson Harmon of Ohio had something of a following. Radicals in the East turned to William Randolph Hearst, whose newspapers had been busily engaged in emphasizing his availability. The conservatives for a time thought of drawing ex-president Cleveland from his retirement but received no encouragement. This wing then began to work up sentiment for Judge Alton B. Parker of New York, and by the time of the convention had a large majority of the delegates either pledged to him or willing to take him as a second choice. In the convention the opponents of Bryan carried the day by adopting a platform without a silver plank. When it came to nominating a candidate the Hearst strength did not come up to expectations, and Judge Parker received the necessary two-thirds vote.[1] As vice-presidential nominee ex-Senator Henry G. Davis of West Virginia was chosen to win the electoral vote in West Virginia and Maryland.

The Roosevelt Election

In the election the Socialists and Prohibitionists showed the greatest strength among the minor parties, the latter maintaining about its usual vote and the former doubling that of 1900. Along with real issues President Roosevelt's personality played an important part in the campaign. He had won a tremendous following in all parts of the country including the South. Nevertheless his desire to break the "solid South" was unrealized. Toward the close of the campaign, at first by implication, then more openly, Judge Parker asserted that there was corrupt alliance between the monied powers and the Republican organization. He alleged that Mr. Cortelyou, who had resigned his position in the cabinet to become the chairman of the national committee and so take charge of the campaign, was using knowledge gained as secretary of commerce and labor to assess large corporations for contributions. It was not until three days before the election that the president replied to state flatly that the charge was unfounded and that if he should be elected he would enter office unhampered by pledges of any kind.[1] Subsequent investigations demonstrated that there was considerable truth in Judge Parker's general assertions, but it was also shown that the campaign managers of the Democratic party had benefitted by similar donations although to a considerably less extent.

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[1] While the convention was deliberating on the platform Judge Parker sent a telegram saying that he would not be a candidate if a silver plank were adopted. David B. Hill, to whom the Parker campaign had been entrusted, was for suppressing the message, but better councils prevailed and the act undoubtedly strengthened Parker's position.

Out of the total popular vote of 13,523,519, Roosevelt electors throughout the country had a plurality of 2,544,343 and an actual majority of all votes. His electoral vote was 336 to Parker's 140. The Democrats carried only southern states while the border states of Missouri and West Virginia went over to the Republican column and in Maryland, where the popular plurality for Roosevelt electors was about 50, one electoral vote was swung to him. Eastern Tennessee was solid for Roosevelt, but the majority in the central and western portions of the state overcame the eastern vote and carried it for Parker and Davis. At the same election the Republicans maintained their control of both branches of congress with 57 out of the 89 senators and 249 of the 386 representatives. The president was elated at the result and considered it, as it was, much of a personal tribute. When the returns were in sufficiently to foretell the outcome he issued a statement in which he said: "The wise custom which limits the President to two terms regards the substance and not the form, and under no circumstances will I be a candidate for or accept another nomination."

After the election the president turned with renewed enthusiasm to the policies which had already created so much alarm in certain quarters. His annual message of December, 1904, called attention particularly to the railroad situation and asked congress again to strengthen the Interstate Commerce Commission. Railroad powers were up in arms and brought all the pressure they could to prevent adverse action. But the president was in earnest. Early in January, 1905, he called into conference leaders of the Republicans in congress and sought to persuade them to carry out his views. The house of representatives did not need urging, for the committee on interstate commerce brought in a bill which went even farther than the president asked and gave the commission absolute power to fix rates. On February 5 the Hepburn bill was passed and went to the senate. There it was held up and no action taken during the remainder of the short session.

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[1] Along in October the president requested Cortelyou to return to the Standard Oil Company a contribution of $100,000 which he learned had been received. Mr. Cortelyou, however, did not return the $100,000 on the ground that it was a gift from Mr. H. H. Rogers personally and not from the Standard Oil Company in which Mr. Rogers was one of the principal magnates. Mr. Roosevelt never knew that the money had not been returned. See Bishop, I, 329 ff.

It was at Roosevelt's suggestion that E. H. Harriman raised $250,000 to aid the Republican state committee in meeting the expenses of the campaign to elect Governor Higgins.

Roosevelt and Big Business

When the new congress met in December, 1905, Roosevelt renewed his recommendations and the house responded by passing the Hepburn bill on February 8, 1906, in almost the same form as before with support from both parties. In the senate it was the subject of a long discussion in which the opposition to the measure was fully aired. There was, however, ample evidence that the public was behind the president. A number of things had come to light to emphasize the necessity of invoking the government's authority. A suit brought against the Standard Oil Company and a report of the Bureau of Corporations showed that while rebating in the old form had largely disappeared since the passage of the Elkins act, there had grown up practices which accomplished the same ends under various disguises. In Pennsylvania the "anthracite roads" had independent miners at their mercy. The Atchison, Topeka and Santa Fé road was subjected to a scrutiny which clearly demonstrated that it was engaged in rebating just as it had been at an earlier date. The contest in the senate was not settled until the end of June, when the rate bill was passed after it had been sent to conference three times. Upon complaint of a shipper the commission was authorized to fix just and reasonable rates, regulations or practices for common carriers, and the orders of the commission were to become effective within thirty days and hold for two years unless modified or suspended. The senate insisted on a court review of the reasonableness of all rulings, but the friends of the measure saved the provision that for every day's violation of an order of the commission, a fine of $5,000 was to be imposed on the carrier.

In the same month congress enacted a pure food and drugs act. Earlier in the year Upton Sinclair's novel *The Jungle* had caused so much comment that an investigation was ordered, and when the Neill-Reynolds report was published the public learned that most of the allegations of Sinclair's book were well founded. A demand for immediate action produced a drastic regulatory measure introduced by Senator Beveridge of Indiana. The senate passed with commendable speed the new measure with its provision for federal inspection of all packing houses when those concerns sold products which were to go beyond the limits of the state, and requiring that foods and drugs be labelled to show their true contents. When the bill reached the house it did not find the path so easy for Speaker Cannon was able under the rules to sidetrack it by referring it to the committee on interstate and foreign commerce. But, as in the case of the rate law, public demand was strong enough to force action.

Roosevelt had urged the admission of Oklahoma and Indian Territory as one state and New Mexico and Arizona as another. There was some opposition on purely partisan grounds. The real obstacle, however, lay in the fact that many believed it was not only unwise but unjust to force communities of diverse groups into single units. The result was that congress passed an enabling act for Oklahoma, which would absorb the Indian Territory, but rejected the rest of the "omnibus bill." The following year Oklahoma completed her constitution and was duly admitted.

1906 was a year of congressional elections which would test the popularity of the measures which the president had advocated The relations between the government and large corporations, which took a prominent place in the campaign, was the direct cause of a controversy involving the president and certain prominent financial leaders. Late in the summer, when the campaign chest was getting low, James S. Sherman, chairman of the Republican congressional committee, approached Mr. E. H. Harriman for assistance in raising funds only to be met with a flat refusal. Following this came charges and counter-charges in which Harriman accused the president of drawing him into the campaign of 1904. Roosevelt denied the allegations and intimated that Harriman distorted the facts.[1]

With peculiar coincidence in November, 1906, the Interstate Commerce Commission determined to investigate the previous activities of the organizations with which Mr. Harriman was connected, particularly the acquisition of the Southern Pacific by the Union Pacific, the reorganization of the latter, and also the reorganization of the Chicago and Alton Railroad, all of which had taken place seven or more years before. There is nothing to indicate that the commission was instigated in its activities by the president directly, although there is ample evidence that he had frequently spurred that body to action or advised against certain steps.[2] At about the same time the commission began its work on the Harriman lines the department of justice instituted a suit against the Standard Oil Company as a combination in restraint in trade. Such attacks aroused much concern for there was a widespread feeling that they were preliminary to a general assault upon most of the larger combinations. No general movement against combinations did come about, however, and this lent color to the belief many had that the personal relations between the president and Mr. Harriman had much to do with the investigation of the roads in which the latter was interested. The whole matter, however, succeeded in convincing the public that Mr. Harriman was a typical "malefactor of great wealth," as the president called him. Today people are more inclined to believe that, while Mr. Harriman never came to the point of believing that running a railroad was much different from managing any other business, and was, in fact, out of touch with the trend of events, he did perform a useful work in upbuilding the properties with which he was connected, and advanced the interests of the regions they served.

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[1] For a full account of the controversy between Roosevelt and Harriman see Kennan, *E. H. Harriman, a biography*, II, ch. 25, 26.

[2] When, in 1915 the directors of the New York, New Haven & Hartford Railroad were under indictment for alleged violation of the anti-trust act, Mr. Mellen testified that, in 1907, he had an interview with the president to ascertain whether the government was going to attack the road's ownership of the Long Island Sound steamers. The president, after seeing two members of the commission, said to Mellen: "I cannot promise you any kind of protection if you break the law; but so far as I and my administration are concerned if you do not sell, you will have no trouble about those steamship lines." Mr. Mellen also testified that later he had tried to find out whether the commission would interpose if the New York, New Haven & Hartford bought the Boston & Maine, and that the president told him, "I would buy it, if I were you."

The Panic of 1907

The activities of the government during 1906 and 1907 furnished the push necessary to topple over a structure which had been rising upon insecure foundations. Fundamentally the cause of all "panics" is loss of confidence. As in 1873, when the Jay Cooke banking house failed in its disastrous attempt to swing the Northern Pacific deal, confidence suddently evaporated, so in 1907 the optimism of previous years suddenly turned to suspicion and distrust. Signs of impending difficulties were visible as early as March, 1907. From then on the situation continued precarious. In August there was more trouble and in October the Knickerbocker Trust Company of New York failed. Immediately there began a run on various banks, for everybody wanted to get out his holdings before it was too late. Money was almost impossible to obtain; clearing house certificates were issued in the larger cities in order to allow banks to settle their balances without drawing too heavily upon their resources. Everybody tried to unload stocks. Such financial leaders as Morgan, Harriman, Stillman and others tried to devise means of stemming the tide and restoring confidence, and Cortelyou, who had become head of the treasury department, went to New York to confer with them.

When affairs were at their darkest the president accorded an interview to Judge E. H. Gary and H. C. Frick, representing the United States Steel corporation, and from them learned that an important concern in New York was in danger of going into the hands of a receiver unless something was done immediately, and if it failed it would undoubtedly drag down a large number of organizations tied up with it. This house had, as a considerable part of its securities, shares in the Tennessee Coal and Iron Company. Gary and Frick proposed that the United States Steel corporation buy these shares and so relieve the pressure, but, if this course were pursued, they feared that there would be an attack upon the transaction as a violation of the anti-trust act, which would lay this organization further open to the accusation of monopolizing the steel industry. "They further informed me," said the president, "that, as a matter of fact, the policy of the company has been to decline to acquire more than sixty percent of the steel properties, . . . and the acquisition of the property in question will not raise it above sixty percent. . . . They are willing to go into this transaction, which they would not otherwise go into, because it seems the opinion of those best fitted to express judgment in New York that it will be an important factor in preventing a break that might be ruinous . . . . But they asserted that they did not wish to do this if I stated that it ought not to be done. I answered that, while of course I could not advise them to take the action proposed, I felt it no public duty of mine to interpose any objections." The transaction went through and it is the concensus of opinion that the relief obtained did much to prevent further spread of the panic. Later the issue was brought before the federal courts, and both in the district court of New Jersey and in the Supreme Court (1920) the validity of the purchase was upheld.

The panic of 1907 once more called attention to the inelasticity of the monetary system of the United States. It had been a factor in the numerous agrarian troubles of the eighties and nineties. Congressional committees had investigated and reported and the secretary of the treasury more than once had criticized the unsatisfactory situation. The panic of 1907 pointed the lesson in an unmistakable manner, and congress responded with the Aldrich-Vreeland act of 1908. By this measure national banking associations were allowed to use as security for banknote issues not only United States bonds, but other securities acceptable to the treasury department. National banks could organize in small communities with a capital of $25,000, and, instead of ninety-five percent of the value of the bonds being allowed in banknotes, one hundred percent became permissible. Provision was made for a commission, composed in part of members of congress and in part of experts, to investigate existing banking systems in other countries and to recommend a thoroughgoing change in the United States.

THE BROWNSVILLE AFFAIR

Other matters besides "trust-busting" and the election of congressmen claimed front page positions in the newspapers during the summer of 1906. In August an insurrection in Cuba overtaxed the powers of the civil government of the island and brought about intervention under the terms of the treaty of 1902. In the same month came an episode which aroused much more public interest. On the night of August 15 some Negro troops left Fort Brown, Texas, without leave and went into Brownsville, shooting at anyone seen upon the streets and into the houses where lights were burning. Several persons were wounded and one man was killed, while the whole town was thrown into terror. When details of the matter were forwarded to Washington the president suspended all members of three companies to which it was ascertained the offenders must belong. After an investigation nearly all the men of these companies were dishonorably discharged from the army.

Opinion divided very sharply on the issue both generally in the country and in congress where the matter was taken up for further investigation. In the senate Joseph B. Foraker assumed the task of sifting the case to the bottom and secured the appointment of a special committee for the purpose. In a report of March, 1908, the majority of the committee sustained the action of the president; a minority report maintained that testimony had not demonstrated that anyone in the battalion had actually done the shooting, and did not show that there had been any conspiracy of silence to hide the culprits. Both Foraker and Senator Bulkeley, of Connecticut, made separate reports stating that the punished men had nothing to do with the shooting and should not have been discharged. The senate supported the majority of the committee.

Economic Legislation

One of the acts passed by the fifty-ninth congress before it closed its session in the summer of 1906 had been an employers' liability law applicable to organizations engaged in interstate commerce and referring necessarily for the most part to common carriers. The Supreme Court pronounced the act unconstitutional by an opinion rendered on January 6, 1908. The failure of the lower courts to uphold it had foreshadowed its fate so that in his annual message in December, 1907, and again in a special message after the Supreme Court's decision, Mr. Roosevelt urged the passage of another bill which would avoid the difficulties of the first. Congress responded with an act which stood the test of the courts. In the previous session there had been another notable bit of labor legislation when the hours of railway employees, engineers, conductors, telegraphers, train despatchers and the like, were limited to sixteen in continuous service and provision was made that such periods must be followed by a suitable rest allowance.

Labor leaders had long been agitating for a federal act which would prevent the use of the injunction in labor disputes. Particularly during 1905 did the American Federation of Labor strive to bring about a sentiment which would produce the desired result. The president, however, was unable to view the matter in the same light in which it was seen by Mr. Gompers and his associates, and in his annual message in December, 1905, stated his opposition, suggesting at the same time that there might be some regulation by which sufficient notice might be given the parties affected before the writ itself was issued.

The labor phase of the industrial era was particularly emphasized during 1905 and 1906. The Western Federation of Miners, formed in 1893, had been a turbulent organization from the beginning. With the coming of syndicalism to America this group had been largely permeated by its spirit, and a very large portion of Federation members held I. W. W. cards. In the course of a strike among the miners of Idaho ex-Governor Steunenberg was murdered, and a group of men prominently identified with I. W. W. propaganda and active in this particular strike were arrested for complicity in the murder. The trial of the men, including Big Bill Haywood and Moyer, took place in 1907 and resulted in their acquittal. Generally the hard times which followed the panic of 1907 were accompanied by labor disturbances all over the country, accentuating the already uneasy situation which had been prevalent during the period when business was booming.

CONSERVATION

President Roosevelt was concerned with the rapid diminution of the natural resources in the country, especially the forests which had once clothed so large an area. His attention was also directed to the saving of power sites and to utilization of hitherto waste places. A little had been done to develop irrigation projects in some of the western states. In 1879 the United States Geological Survey began to survey the arid regions and plan to bring water upon them. After 1889, when such a survey was specifically authorized by congress, the work was pushed more rapidly. A bill already projected before Roosevelt became president was passed in 1902 creating a reclamation fund to underwrite irrigation projects. While there were deficiencies in the Newlands act, it did serve to promote interest in the cause and, by 1909, had paved the way for the creation of over eight thousand new farms. In the course of its work the Reclamation Service investigated waterpower sites and revealed their tremendous potentialities, but the question of the use of water for power became entangled with navigation and made of it all an extremely complicated problem. Private corporations had realized the significance of these power sites, and the Reclamation Service soon discovered that such concerns had acquired many of the available sites. The whole matter was further complicated by the gap that existed between the powers of states as such and those which had been delegated to the national government.

This "Twilight Zone" had been revealed when it was a question of regulating big business; it particularly complicated the conservation of natural resources. "I do not," said the president to the Convention of Governors which he called in 1908, "wish to keep this twilight land one of large and vague boundaries, by judicial decision that in a given case the State cannot act and then a few years later by other decisions that in practically similar cases the Nation cannot act either . . . . Give an ample reward to the captain of industry; but not an indeterminate and infinite reward . . . . It is eminently right that he should be allowed to make ample profit from his development of the privilege; but make him pay something for it and make the grant for a fixed period so that when the conditions change . . . our children, the Nation of the future, shall have the right to determine the condition upon which the privilege shall be enjoyed. In these cases the State has not acted or cannot act;

therefore I hold the Nation should act." This statement of Mr. Roosevelt's typifies admirably his idea of the relations of the state and nation. It also indicates the change which had come in construction of the constitution; strict constructionists of a half century before, even the broad constructionists of that day, would have found in such a philosophy an entire destruction of the principles upon which the republic was founded.

Vitally connected with water power conservation were the forests. In large sections of the public domain, located in the mountainous regions of the country, chiefly in the western states, were millions of acres on which there was a stand of timber, or second growth which had followed logging. These forests were not only actual or potential sources of lumber, but they served to hold in check the moisture which fed the streams of the surrounding region. Private logging companies ordinarily paid little attention to the fact that their work robbed people for years to come of soil fertility, water power and new forest growths. With his love of the out-of-doors it is not surprising that Roosevelt turned his attention to forest conservation. One of his first acts as president was to confer with F. H. Newell, director of the Geological Survey, and Gifford Pinchot, chief forester, and co-operate in their plans for national irrigation and for consolidating the whole forest work of the federal government in the bureau of forestry. Before the close of his presidency the National Forests had been increased from 43 to 194 million acres and the forest service had been unified and increased. This was done in spite of the inertia of governmental departments, which tended to become entangled in snarls of red tape, and opposition of private interests which had no desire to see further fields for private exploitation put beyond their grasp. Mr. Roosevelt found, when he entered office, that while there was a forest service it had no reserves under its control, for those were nominally under the Land Office in the Department of the Interior. It was not until 1905 that he was able to have congress transfer them to the United States Forest Service in the Department of Agriculture. One of the principal obstacles in upbuilding the forestry work came from western senators and representatives. In part this was due to the influence of large operators in timber, but even more to the belief of westerners that they could manage affairs within their states. When it came to votes in congress, however, the West could muster too little strength to overcome the growing demand from the rest of the country. The courts were appealed to, but every suit brought against the acts of the president resulted in a victory for the administration.

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CHAPTER XXI

WILLIAM HOWARD TAFT

In the two years which closed President Roosevelt's administration there was evidence that the breach in the Republican ranks, temporarily closed in 1904, was again widening. Signs of the split showed in the congressional elections of 1906. The sixtieth congress had a majority of Republicans in both houses, but ranks of the "old guard" were thinning; new faces apeared in the senate. Robert M. LaFollete, who had led a fight in Wisconsin against railroads and other corporations, for direct primaries, and for preservation of the natural resources of the state, had been three times elected governor, and in 1905 was made a member of the United States senate. Albert J. Beveridge of Indiana represented the same kind of revolt. A little group of progressives of both parties opposed the "stand pat" majority. In the lower house there was a much larger number of men who were of the opinion that times were changing and legislation must change with them.

Selecting Roosevelt's Successor

The immediate political question in 1906 and 1907, however, was who would succeed Roosevelt in 1909. Despite the president's announcement that he did not intend to be a candidate again, newspapers and individuals not only spoke of the possibility but began to urge it upon him. In November, 1907, he felt it necessary to end agitation by sending to the heads of three departments a circular note in which he said:

> I have been informed that certain office-holders in your Department are proposing to go to the National Convention as delegates in favor of renominating me for the Presidency, or are proposing to secure my endorsement for such renomination by State conventions. This must not be. I wish to inform such officers . . . that such advocacy of my renomination, or acceptance of an election as delegate for that purpose, will be regarded as a serious violation of official propriety and will be dealt with accordingly.

With Roosevelt, however, lay the designation of a Republican presidential candidate. Elihu Root, secretary of state, William Howard Taft, secretary of war, and Charles Evans Hughes, governor of New York, were the men who seemed most eligible. Root was regarded by Roosevelt as the ablest man in his cabinet and one of the foremost men of the country, but his presidential possibilities were impaired because, prior to his entrance into politics, he had been a prominent corporation lawyer. Hughes, a practising attorney in New York City, had been brought into national prominence by his conduct of the insurance investigations. He had refused to be a candidate for mayor of New York, but in 1906 he had been nominated for governor by uninstructed delegates at the state convention against bitter opposition of machine politicians. As governor he made a record which people compared with that of Grover Cleveland. While Roosevelt admired Hughes and thought highly of his ability, his inclination to play a lone hand and break over the party traces made him, in the opinion of the president, an unsafe candidate. Judge Taft had enjoyed a long and uniformly successful career as a judicial and administrative official. Twice, while he was governor of the Philippines, there had come a vacancy on the supreme bench to which Roosevelt would have appointed him. He had declined the honor, not because he did not desire it but because he felt that his work in the islands was more urgent. When John Hay's illness and death necessitated cabinet readjustment the war department was offered to Taft, who accepted the post, to become not merely a member of the president's cabinet, but a close and confidential adviser. When all things are taken into consideration it was a perfectly natural thing for the president to come to the conclusion that he could entrust the carrying on of his policies to Taft. Furthermore, since it was obvious that neither an avowed radical nor a known conservative could possibly obtain the nomination, Taft seemed to be an admirable compromise.

Nevertheless, those had who been none too pleased with Roosevelt's aggression upon big business were inclined to chafe at the thought of having another president who might pursue a similar course. In the ranks of politicians, too, the possibility of more Roosevelt under any guise was unpalatable. This hostility received much notoriety when, in the spring of 1907, it was reported with appearance of credibility that a senator, well known for his continued opposition to the president, stated at a private dinner that a scheme was on foot to defeat any man favored by Roosevelt. The rumor was that a large sum was pledged to be used "where it would do the most good" to bring forward "favorite sons" in the convention to prevent a nomination on the first ballot. Then, apparently favoring the renomination of Roosevelt, delegates were to select someone who was acceptable to the plotters. The story caused much comment for a time, but if there was anything behind it the notoriety killed the plot.

When the convention assembled the plans of Roosevelt and his associates were carried out to the letter. The first ballot gave Taft 702 out of 980 votes, and then other candidates were withdrawn to make the nomination unanimous. The New York delegation had gone to Chicago with hopes of securing recruits for Hughes. The Wisconsin vote for La Follette, that of Pennsylvania for Knox, and of Illinois for Speaker Cannon had been mere courtesy affairs, although the conservative element would have been glad to bring forward Cannon, Knox, or Foraker. For the vice-presidential nomination there were many possibilities. Mr. Hughes had been mentioned, but he let it be known that he would not accept the nomination. Senator Dolliver of Iowa, favored by Taft and his friends, might have been selected but for the fear of Iowa leaders that his place in the senate would be filled by Governor Cummins. Representative James Schoolcraft Sherman of New York was chosen; he had served nine terms in the house, and was known as a staunch party man, generally friendly to President Roosevelt and sufficiently strong in his own state to help swing its electoral vote into the Republican column.

Almost as much harmony existed when it came to adopting a platform. About the only controversial issue was whether there should be a strong plank favoring regulation of the use of injunctions in labor cases as Samuel Gompers urged before the committee on resolutions. A plank which met the president's wishes proved too strong for the committee and a rather noncommittal compromise was substituted. The platform eulogized

President Roosevelt's administration and endorsed his policies. It promised amendments to the anti-trust law and to the interstate commerce act. On the tariff there was a moderate statement pledging revision at a special session of congress. A sop to southern Republicans was included when one plank demanded the enforcement of the thirteenth, fourteenth and fifteenth amendments "which were designed for the protection and advancement of the negro." There was no place in the platform for certain progressive resolutions urged in committee by Congressman Cooper of Wisconsin who brought in a minority report and secured a roll call on such propositions as publicity of campaign contributions and physical valuation of railroads as a basis for fixing rates.

Bryan's Third Nomination

The disastrous results of the 1904 election had turned the Democratic party as a whole to Bryan. In the East, and to some extent in the South, he was no more acceptable than he had been in 1896 or in 1900, but the West was strongly behind him. When the first ballot was taken at Denver about nine-tenths of the delegates voted for the Nebraskan. As one correspondent put it, "The situation at Denver with regard to candidates closely parallelled that at Chicago. In each case there was a favorite against the field." The "field" included Judge Gray of Delaware who had the support of his state delegation and that of New Jersey and a few other scattering votes elsewhere. But the "allies" knew that they had been beaten before the convention assembled and gracefully came into the fold after registering their formal protest. All was not harmony, however, despite the overwhelming vote for Mr. Bryan: a conservative element, which had carried the Parker nomination in 1904, had not been won over, and in the East there was a small radical movement to put William Randolph Hearst at the head of the ticket. John W. Kern of Indiana was nominated for vice-president.

The platform as well as the selection of a candidate indicated the dominance of a progressive element. On the tariff, which perhaps occupied the central position, there was a demand that articles competing with trust-produced commodities be put upon the free list; strong reductions upon necessities of all kinds were urged, while other commodities should be subject to duties gradually reduced to a revenue basis. On the matter of railroads and trusts the plank was much more detailed than that in the Republican platform, but, when reduced to actual propositions, it did not vary much from the Roosevelt stand. There was a proposition to license corporations which produced 25 percent or more of any commodity, and to allow no concern to produce more than 50 percent of its kind of articles. Campaign publicity was urged. After the convention Mr. Bryan announced that no gift of more than $10,000 would be received from any one source, while the names of all those contributing $100 or more would be announced before the election.[1] One plank which had no counterpart in the Republican platform opposed admission of Orientals to the United States.

The defeat of the Hearst faction at Denver led directly to the formation of a new organization, the Independence Party, which in July held a national convention at Chicago and nominated Thomas L. Hisgen for president and John Temple Graves for vice-president. Hearst, who would not accept a nomination, believed that if Bryan had supported him in 1904 he, and not Parker, would have been the choice of the Democrats. From 1904 on he had been in politics; he ran against Hughes for the governorship of New York and while he was defeated his efforts had much to do with pulling the rest of the Democratic ticket into first place. He had been a candidate for mayor of New York City, running on the ticket of the Municipal Ownership League; in this contest he appeared to have a chance of election but for the number of Republicans who voted for the Democratic candidate, George B. McClellan. The Independence Party adopted a platform which called for direct legislation, corrupt practices acts, severe restriction of corporations, exemption of labor and agrarian organizations from the operation of the anti-trust law, no injunction before trial in labor cases, an eight hour day for government employees, laws against blacklisting by employers, an amendment to the anti-trust law to carry prison penalty for its violation, parcels post and postal savings banks, the issuance of money by the government through a central bank, and numerous labor planks. The whole platform, which bore a close resemblance to Populist programs of an earlier day, with a larger admixture of labor demands, was patently framed to appeal to the discontented of both old parties.[1]

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[1] The Republican National Comittee promised to make a full accounting of its receipts and expenditures under the New York law which required this to be done after the campaign was over.

The Election of Taft

The campaign was remarkably free from any exciting features. Mr. Bryan as usual took the stump and addressed great crowds of people in various parts of the country, particularly devoting his attention to the East where his support was weakest. Following the same tactics Mr. Taft invaded the enemy's country, the Mississippi valley. Personalities, which came out rather prominently in 1904, were largely missing, and there were no real issues upon which Republicans and Democrats were vitally divided. The tariff came as near being one as any, but even here it was seen that both parties contained protectionists and anti-protectionists, and neither party nor its candidate was advocating a total abandonment of protection. Indeed, the principal attack on the tariff came because it was believed to be one of the principal factors in developing large scale industry and monopolistic corporations. On "trusts" the Roosevelt policy differed little from what the Democrats and Mr. Bryan urged, so that small headway could be made in pointing out the advantages of one remedy over the other. The conservatives over the country hoped that Mr. Taft would prove less aggressive than Roosevelt, and so supported him. The progressive element in the Republican party was convinced that if "Teddy said so" Taft was the man for them. In general, then, the election of 1908 was one which demonstrated the tendency of men to support the party in whose ranks they had been reared. The final returns of the voting gave Taft and Sherman 7,678,908 popular votes as against 6,293,019 for Bryan and Kern, a total plurality of 1,269,804, and an absolute majority. The electoral votes were 321 and 162, Bryan securing those of the solid South, of Nebraska, Colorado and Nevada with two of the eight in Maryland. All the North, and the West with the exception of these three states, were for Taft.

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[1] Four other minor parties formally entered the election, the Socialist with Eugene V. Debs as candidate for the third time, the Prohibition with Eugene W. Chafin and Aaron S. Watkins, the Socialist Labor with August Gilhaus and Donald L. Munro, and the Populist with Thomas E. Watson and Samuel Williams. Neither of these parties figured to any appreciable extent in the election.

For a year or more before the close of his term President Roosevelt had been maturing plans for an extended African hunting trip to take place soon after his successor was installed in office. In part this was scheduled for that time in order to remove the impression that he was going to remain the power behind the throne, had that been possible; in part it was sort of a vacation to secure rest and change after the arduous duties connected with the presidency. One request only did he make of Judge Taft. On the day before inauguration he wrote the president-elect to urge him under no circumstances to divide the fleet between the Atlantic and the Pacific before the Panama Canal should be completed. "I should obey no instruction of Congress and pay no heed to popular sentiment, no matter how strong, if it went wrong in such a vital matter as this."

THE NEW PRESIDENT

On the fourth of March, 1909, a blustering, stormy day when the ceremonies had to take place indoors, the president and the president-elect drove together to the senate chamber and there Judge Taft took the oath of office. Mr. Roosevelt set out immediately for Oyster Bay to finish his preparations for his African trip, and President Taft took up his official duties. The new incumbent was little like his strenuous predecessor in person or manner. His broad face with its genial smile had become familiar throughout the country even before he was spoken of as the "heir apparent." Those who knew him personally or had heard him talk were captivated by his infectious chuckle and kindly manner. He was not impetuous. He was no universal genius. An adminstrator and jurist, but withal a man of broad training and sympathies, he was bound to present quite a different type as president. To those who knew him it was easily understood that while he might be generally responsive to the motives which had influenced Mr. Roosevelt it was unthinkable that he should attempt to accomplish his purposes in the same way. While by no means a weakling he was not aggressive; one could not think of the expression "speak softly and carry a big stick," on his lips. While "Will" and "Theodore" had travelled so harmoniously in double harness it was obvious that acting on his own initiative Taft was bound to impress people as distinctly different from what they had been used to for the past seven years.

It is noticeable that, as between presidential and congressional domination, the history of the United States has presented a series of cycles. At times the legislative branch completely overshadows the executive, and then comes a period when the reverse is the case. Somewhat under Cleveland and McKinley there had been a tendency for the president to assert leadership against congress; under Roosevelt this tendency had manifested itself in a way not parallelled since the time of Jackson. President Taft, with his training as a lawyer and as a judge, had come to consider governmental affairs from a jurist's point of view. Where Roosevelt was not disinclined to assume powers which apparently were left to no one, President Taft was prone to make sure that what he did was sanctioned by law and did not overstep the line into the "twilight zone" of undefined authority. The new president was incapable of asserting himself as aggressively as Roosevelt had done; he avoided trouble when it could be escaped and the end attained by a more circuitous route. It was this very quality which had helped him in his dealing with the troublesome issues in the Philippines.

The new cabinet reflected the president's character. He surrounded himself with lawyers for the most part, and men who were typical of the middle group of the Republican party, neither ultra-conservatives nor radicals. The state department went to Philander Knox, who had been attorney-general under Roosevelt before he became a member of the senate. The new secretary of the treasury was Franklin McVeagh, a Chicago business man who had been interested in political activities in his own community. Jacob M. Dickinson, a native of Tennessee, whose duties as counsel for the Illinois Central railroad had kept him much in Chicago, became head of the war department. The attorney-general was George W. Wickersham of New York;

George von L. Meyer was taken over from Roosevelt's cabinet and transferred from the postoffice to the navy department, and James Wilson continued to head the department of agriculture as he had done under McKinley and Roosevelt. Frank H. Hitchcock, who as chairman of the national committee had run the Taft campaign, was assigned to the post-office department to distribute the loaves and fishes. A westerner, Richard A. Ballinger of Washington, was put in charge of the department of the interior, and Charles Nagel headed the new department of commerce and labor. While the selection did not particularly appeal to the progressives, on the whole Mr. Taft was congratulated in having made sane choices.

The Payne–Aldrich Tariff

According to the promise of the Republican platform Mr. Taft called the sixty-first congress [1] to meet in special session on the fifteenth of March to consider especially the revision of the tariff. The majority members of the committee on ways and means in the house before the close of the sixtieth congress had drawn a new tariff bill, so that the chairman, Sereno E. Payne of New York, was ready to introduce it as soon as the new congress was organized. In the organization the divergent views of progressives and stand-patters were exhibited. "Uncle Joe" Cannon was made speaker again but when it was proposed to take over *in toto* the rules of the previous congress, thirty-one Republicans joined with the Democrats to defeat the motion, and Mr. Champ Clark, the minority leader, introduced a set of resolutions embodying a revision acceptable to his own party. The most important of the proposed modifications was a proposition to replace the old appointive committee on rules, consisting of three majority and two minority members, by one of fifteen members elected by the house. These radical changes did not receive the support of "insurgent" Republicans and a compromise, proposed by Fitzgerald of New York, was adopted. Among the changes was the abolition of the rule that previous consent of the speaker must be obtained to introduce a bill under unanimous consent; another established "calendar Wednesday" when bills on the calendar could be taken up in order; still another modification made it possible to send a bill back to a committee after debate had been stopped by the "previous question" whereas under the old rules a final vote immediately took place.

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[1] In the house there were 219 Republicans and 172 Democrats, and in the senate 60 Republicans and 32 Democrats.

When the new rules were accepted Mr. Payne introduced his tariff bill. One the whole it departed materially from the Dingley act; many articles were added to the free list, and a considerable number of duties were reduced. The protective policy, however, was adhered to in the most important schedules; sugar, wool and woolens, as well as other textiles, iron and steel products and the like, were not likely to suffer any material loss of protection although in some instances the rates were lowered. Whatever the house might do it was soon shown that the real tariff legislation would be dictated by the senate. In that body the committee on finance, of which Nelson W. Aldrich of Rhode Island was chairman, had been in almost continuous session framing its own measure. On April 9 the bill was reported and the senate took up its consideration until July when it was passed against the votes of the Democratic members and ten "insurgent" Republicans.[1] The minority supported a measure introduced by Senator Cummins of Iowa, while the Democratic views were incorporated in a bill brought forward by Senator Bailey of Texas. In the middle of June the Democrats and the Insurgents came together on a compromise, and for a time it appeared that they might secure the substitution of their scheme for the Aldrich bill. But this substitute provided for an income tax, which, in the opinion of President Taft, was similar to the one which had been declared unconstitutional by the Supreme Court in 1895. On June 17 he sent to congress a special message in which he reminded the members of that body and the country as a whole that he had, in his inaugural, recommended a tax on inheritances and pointed out that the house had adopted his suggestion. If an income tax were desired it was necessary in his opinion to obtain an amendment to the constitution to open the way. The president's views had the effect of helping the Aldrich measure through the senate, even though it did not contain a provision for an inheritance tax.

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[1] The Insurgents in the senate were Beveridge of Indiana, Bristow of Kansas, Brown and Burkett of Nebraska, Clapp and Nelson of Minnesota, Crawford of South Dakota, La Follette of Wisconsin, and Cummins and Dolliver of Iowa. Senator Cummins had been elected to the place previously held by Allison who died in the summer of 1908.

When the senate substitute was received in the house the latter body refused to recede from its position and the whole matter went to a conference committee. For a time it appeared that the two houses and their conferees were hopelessly deadlocked. It was then that the president took the first positive stand on the matter and his advice was taken to the extent that some of the schedules were modified enough for a majority of the representatives to vote for it, although it had an adverse vote from most of the Democrats and a small body of Insurgents. On August 5 the president signed the bill, and the Payne-Aldrich act replaced the long-lived Dingley law. On July 12 congress adopted a resolution submitting to the legislatures of the states an amendment to the constitution whereby it would become possible to tax incomes "from whatever source derived" without regard to their status as direct or indirect taxes. During the next four years affirmative action was obtained from the requisite three-fourths of the commonwealths so that in 1913 the sixteenth amendment became a part of the fundamental law.

OPPOSITION TO THE TARIFF BILL

On the new tariff bill opinion divided greatly. Probably a majority of the voters had believed the Republican platform promised a drastic downward revision. To them the statement that there were 654 decreases, 220 increases and 1150 items unchanged seemed begging the question. The Insurgent senators and representatives, after the adjournment of the special session, immediately went home to put the whole situation before their constituents, and the reception given them demonstrated that they, and not the Aldrich faction, really voiced the sentiments of the middle West as a whole and of many people in other parts of the country. So emphatic was the denunciation of the Payne-Aldrich measure that in the late summer President Taft himself took a trip into the Mississippi valley to try to check the tide of opposition. In September, at Winona, Minnesota, he declared that it was the best tariff bill that the Republican party had ever framed, and that, from the party standpoint, meant the best the country had ever had. Probably no one thing succeeded more in concentrating attention on the whole matter and in laying a foundation for the political overturn of the next year than this Winona speech. The president did not confine himself to defense of the Payne-Aldrich bill. He discussed the tariff board just created by congress, and pointed out that such an organization would gather the facts which would make tariff legislation less haphazard in the future. He talked about the necessity of further revision of the interstate commerce act. In Boston, where he spoke before starting West, the theme of his address was the monetary situation and the Aldrich-Vreeland act of 1908. He appeared to support Mr. Aldrich's views for further monetary legislation and paid high tribute to that senator. In Chicago his subject was the delay in administration of the law and the necessity for reform in judicial procedure that more speedy justice might obtain.

The Conservation Controversy

The dissatisfaction stirred by the tariff was increased by a controversy over one of Roosevelt's pet policies, conservation. The Secretary of the Interior, Richard A. Ballinger, who had been commissioner of the general land office during Roosevelt's administration, was a westerner and took the westerner's point of view in the disposal of the nation's natural resources. In the summer of 1909 there came a quarrel between him and one of the subordinates in the department, Louis R. Glavis, over the withdrawal from entry of certain coal lands in Alaska. Moreover Ballinger had taken from the Forest Service the supervision of the forests on Indian reservations. While an investigation later demonstrated that Ballinger had acted within his undoubted rights in the affair of the coal lands, and while under the law he could make readjustment by which Pinchot was removed from his control of the forests, the whole thing in popular estimation seemed to point to some malign influence wielded by the capitalists who had fought Garfield, as secretary of the interior, and Pinchot in their work to keep from private exploitation the remaining natural resources. Glavis was dismissed from the public service and he in turn published an attack on the secretary which he called the "The whitewashing of Ballinger."

Pinchot likewise openly attacked Secretary Ballinger and finally wrote directly to Senator Dolliver on the matter. This was a direct violation of a departmental rule and consequently, when it appeared that Pinchot had not been authorized by the secretary of agriculture, his chief, to take this step, he too was dismissed by President Taft. Thereupon all the friends of conservation took up the cry that Taft was a creature of the interests and that he was overthrowing Roosevelt's work. Pinchot, shortly after his retirement from the Forest Service, went to Europe to meet Roosevelt to whom he had previously written an account of the affair.

Those who believed that the tariff was, as Woodrow Wilson described it "miscellaneously wrong in detail and radically wrong in principle" and believed also that it was a weapon of big business used against the public, were confirmed in their belief by certain revelations which were made in November. It was learned that employees of the sugar "trust," with the connivance of certain customs officials, had been systematically defrauding the government of a portion of the duty on raw sugar. It was adding insult to injury for this industry to rob the government which had protected it. Before the echoes of this scandal had died away the public learned that the Standard Oil company had been enjoined by a circuit court in Missouri as a combination in restraint of trade. About the same time news came out that the Atlantic Telegraph and Telephone Company had completed a deal by which it was getting control of telephone lines all over the country.

The major portion of President Taft's first annual message was taken up with issues arising from the industrial situation. He recommended a change in the interstate commerce law, amending of the anti-trust act, legislation which would allow him to appoint a commission to study the question of simplifying legal procedure, a law which would prevent granting of injunctions without previous hearings unless some emergency existed, the passage of a ship-subsidy bill to promote trans-Atlantic, trans-Pacific and South American lines, the establishment of a postal savings bank system and a revision of the postal rates, particularly those applying to the carriage of periodicals. The part of the message relating to conservation was supplemented by recommendations in Secretary Ballinger's report which paid especial attention to the question of water power; Ballinger believed that the development of latent power should be encouraged but that the government should establish a system of long-time leases without surrending ownership of power sites. The conservation issue was also the subject of a special message which the president sent to congress on January 14. According to this it was clear that Taft believed in the Roosevelt-Pinchot doctrines of saving the remaining natural resources from private exploitation, but he wished a program sanctioned by specific congressional action.

The Glavis-Pinchot-Ballinger controversy had sunk too deep to allow charges and countercharges to be passed over in silence; indeed, the secretary himself requested a full inquiry. Accordingly a joint commission undertook an inquiry. In May the investigation closed, and after sifting the mass of evidence, a majority decided that the acts of the secretary had been warranted by law and that the charges of Glavis were unfounded. But this did not end the matter so far as Mr. Ballinger was concerned; prior to his appointment to a government position he had been counsel for the so-called "Cunningham claims" to coal lands in Alaska, and, as it was popularly thought that the Morgan-Guggenheim syndicate was back of the claims, the secretary's acts were believed to be influenced by his former affiliations. So hot was the criticism directed against him that he resigned his position in 1911. Congress, in 1910, cleared the way for more intelligent handling of such problems by separating the title to the surface and to mineral deposits which might be under the ground. Another act specifically authorized the president to withdraw lands from entry. Accordingly Mr. Taft not only withdrew those which Mr. Roosevelt had closed to entry without definite authority, but other lands as well. Down to 1911 all the national forests had been created in the West, but an agitation of many years and the urging of President Taft produced the Appalachian Forest Reserve act of March 1, 1911, which, with further appropriations in subsequent years, allowed the purchase over seven million acres of land.[1] In all, then, conservation did not actually suffer a set-back under President Taft. The pioneer work of Roosevelt had prepared the way so that when Taft brought the influence of his official position to back a better educated demand the response was fairly prompt, and the total arrangement was placed on a much firmer basis than it had been before.

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[1] By 1920 the total forest reserves, the National Forests, amounted to 180,279,776 acres, out of a total of 463,000,000 of forest lands in the country. Many of the national forests are, however, forest only in a technical sense, for they include treeless mountains, cut-over and burnt-over land, and barren wastes. Still, with an annual cost of about $4,000,000 the forests produce a net return of some three-quarters of a million to the government.

INSURGENCY

Even if the president's recommendations as to conservation and some other matters met with favorable response by congress, all was not peaceful within the walls of the Capitol. Insurgency, which had raised its head during the tariff discussion in 1909, became rampant during the succeeding regular session. All through the earlier part of the session there were occasional tilts between the groups and from time to time the Insurgents, with the aid of the Democrats, won small victories. Ever since the Civil War the senate dominated the Capitol, just as, down to the Roosevelt régime, congress usually dominated the White House. The actual senatorial power was in the hands of a few men of whom, prior to 1905, the leaders were Nelson W. Aldrich of Rhode Island, Orville H. Platt of Connecticut, Eugene Hale of Maine, William Allison of Iowa, and John C. Spooner of Wisconsin. After 1905 the personnel changed through death and retirement but Senator Aldrich still led the "old guard." When Cannon became speaker he forced the senate to recognize the house in a greater degree than for years previous. "Cannonism" and "Aldrichism" had in the popular estimation come to mean the same thing. But it has to be recognized that Uncle Joe merely carried into effect, and was the most prominent figure in, the rules which the house itself had made to govern its action; that at any time these rules could be changed if a sufficient number of representatives wished to do so. The effect of the rules was in the last analysis to submerge individuals and minorities. Each party had made use of them when in power, and down to the sessions of the sixty-first congress there had been no determined effort to modify them. But times were changing.

In March, 1910, the smouldering fire broke out. Mr. Crumpacker, one of the Indiana delegation, on a minor issue carried an appeal from a decision of the chair. Then Norris of Nebraska rose to a point of constitutional privilege, and when asked to state his point read a resolution calling for a thorough-going revision of the rules so far as they affected the committee on rules. He proposed that the committee should be enlarged to fifteen and its members elected by the house. The parliamentary battle which ensued lasted all night; every device which could be brought into play was used on both sides, and finally the Democrats and thirty-five insurgent Republicans carried the day. After this victory the Democrats wished the Insurgents to go a step further and remove Mr. Cannon from the speakership, but here party discipline proved too strong, even had there been any real reason for turning him out. The change was much less significant than it seemed at the time to outsiders although it somewhat reduced the power of the speaker and made it possible to bring up matters which had been slumbering in committees and which very likely would have died under the old rules. The floor leader became more important. But, withal, it exalted the caucus and did not in any considerable degree destroy party regularity. In the new committee, however, the Insurgents had a voice, whereas before they had been on the outside and relatively powerless.

Before the session closed there was pushed through some legislation which in a sense was a direct outgrowth of the house reorganization, although some of it might have been enacted under any circumstances. On January 7 the president had sent to congress a special message calling attention to the need of amending again the interstate commerce act, accompanying the document with a draft of a bill prepared by the attorney-general. The measure was introduced in the senate by Stephen B. Elkins, and in the house by James R. Mann. After long and intermittent discussion it was passed by the house in May and by the senate early in June, considerably amended in both cases. One of the most important effects of the new law was to increase the powers of the interstate commerce commission: its jurisdiction was extended to cover telephone, telegraph, cable and wireless companies where these concerns engaged in interstate or foreign intercourse; bridges, ferries and the like were included in the term "railroad" where these were parts of an interstate system. New rates proposed by carriers could be suspended until the commission passed upon their reasonableness; the commission itself could initiate proceedings against a road; and power over "long and short" hauls, taken away by the Shreveport decision many years before, was revived. A Commerce Court was created to hear cases arising from rulings of the commission. This court neither won public favor nor did much to expedite suits, but it did relieve the circuit courts of some work. One of the reasons for lack of public confidence in the court arose from charges, leading to impeachment and dismissal, against one of the judges, Robert W. Archbald, who was accused of using his position to add to his income. From the president's recommendations and from subsequent investigations came an act of March 1, 1913, authorizing the Interstate Commerce Commission to undertake, within the next five years, a physical valuation of the existing railroads, the actual cost of building and the cost of reproduction.

One of the old Populist demands was enacted into law when, in June, 1910, congress provided for a system of postal savings-banks. Another Populist measure became law two years later with the establishment of a parcels post system. One of the acts of 1910 which did not meet with so much approval on the part of thinking members of the country was passed in spite of the opposition of some of the Insurgents. This was a provision for the admission of the new states of Arizona and New Mexico. A federal campaign expense publicity act, an employers' liability law, an appropriation for making a scientific study of the tariff and its workings, added to the legislation already described, made the "Insurgent" congress of 1910 more than ordinarily significant.

BIBLIOGRAPHICAL NOTE

For the past dozen years or so the secondary studies are not numerous. Lingley, Paxson, Beard have brief summaries; Ogg, *National Progress*, has a somewhat loosely constructed account, and the last chapter of Rhodes deals with the election of 1908. There is an increasing volume of biographical material, much of which throws light on the political and economic upheaval of the Taft period. To the works of this kind listed for chapter XX may be added Champ Clark, *My Quarter Century of American Politics;* Henry Watterson, *Marse Henry* (1918); La Follette, *Autobiography;* William E. Dodd, *Woodrow Wilson and His Work* (rev. ed. 1922); Joseph B. Tumulty, *Woodrow Wilson as I Know Him* (1921); William H. Taft, *Our Chief Executive and His Powers* (1916); *Uncle Joe Cannon; The Story of a Pioneer American* as told to L. White Busbey (1927).

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Materials for the Ballinger-Pinchot episode are in *Senate Documents*, vol. 44, 61 congress 2 session, and vol. 34, 61 congress 3 session.

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CHAPTER XXII

THE PROGRESSIVES

Congress showed no disposition to protract its session in the summer of 1910 for all members were anxious to get home for the congressional campaigns. Republicans and Democrats, Insurgents, and regulars, all desired to learn at first hand how their constituents had responded to the events of the previous months. Insurgents joyously hailed the return of Roosevelt from his African and European trip, and he was immediately pressed into service in the New York campaign. Then came calls for addresses from all over the country. In response the ex-president arranged an itinerary which took him into fourteen states, mostly in the West, the home of insurgency. On August 29, addressing the Colorado legislature, he criticized a recent opinion of the Supreme Court which had declared unconstitutional a New York law regulating bakeshops. He followed up the attack in the *Outlook*, to which he had become a contributing editor. On the thirty-first of August, when the John Brown battlefield was dedicated at Ossawatomie, he spoke on the "New Nationalism" and made statements which were most bitterly assailed as an "attack on property." While he made no direct reference to Mr. Taft in any of his speeches, their content as well as the fact that it was with progressive Republicans that he most consorted, made it clear that he was not in sympathy with the president.

The Overturn of 1910

The division among Republicans helped the Democrats in state as well as congressional elections. In New York, notwithstanding the efforts of Roosevelt, Henry L. Stimson, the Republican candidate for governor, was defeated by his Democratic opponent, John A. Dix. In New Jersey Woodrow Wilson won from the Republican incumbent who had given the state a good administration. Maine and Massachusetts both fell into the Democratic column. In Pennsylvania the normal Republican majority was seriously reduced, and in Ohio, Mr. Taft's own state, a Democratic governor, Judson Harmon, was re-elected by a plurality of some hundred thousand as against one of about 19,000 two years before. The sixty-second congress would have 228 Democrats, 162 Republicans and one Socialist, Victor Berger of Milwaukee. It was generally conceded that the immediate cause of the overturn was the tariff law. Yet there was more than this in the background. The awakening during the past few years had convinced voters that a house-cleaning was necessary. The senate was also going to show surprising changes. The number of Democrats increased from 32 to 41, while the Republicans were reduced from 60 to 51. Moreover, the "old guard" lost heavily. Dolliver, Hale and Aldrich died, and Democrats or progressive Republicans filled the places of Burrows of Michigan, Depew of New York, Dick of Ohio and Piles of Washington, as well as Kean of New Jersey, Burkett of Nebraska and Scott of West Virginia.

While politics were at full blast during the summer President Taft was carrying forward a plan to revive reciprocity with Canada. By a series of notes between Ottawa and Washington an arrangement was perfected whereby the two governments might legislate into existence a plan by which some hundred articles in common use would be placed on the free list of each country and over four hundred other articles would have a reduction in duty. The plan was presented to the sixty-second congress when it met for its last and short session in December, 1910. By the support of the Democrats and a few Republicans the bill passed the house, but it failed in the senate. Before the close of the session when it was evident that it was not to be passed, the president conferred with Champ Clark, who would be the speaker of the next congress, and with Oscar Underwood, slated for chairmanship of the committee on ways and means, and found that they were in favor of a special session to reconsider the matter. On April 4, 1911, congress convened. The reciprocity bill was immediately reintroduced and passed both houses with some Insurgents and most of the regular Republicans still in opposition. In Canada reciprocity and the Liberals were defeated in a general election.

Congress, after disposing of reciprocity, proceeded to deal with the tariff in a more general way and passed, by the combined strength of Democrats and Insurgents, three bills. One, the farmers' free list, removed duties from a number of articles such as farming machinery, tools, boots and shoes, lumber, meat, and flour. A second bill revised the wool and woolens schedule, and a third reduced the duties on cotton manufactures, paints and chemicals, certain metals and some other commodities. All of these bills President Taft vetoed on the ground that the tariff commission had gathered facts by which congress was in position to proceed with a general revision in a more intelligent and scientific manner.

"TRUSTS" AND THE RULE OF REASON

It was in the year 1911 that attention was pointedly called to big business by two notable decisions of the Supreme Court. In 1906 the government had begun a prosecution of the Standard Oil company and its component parts as a combination in restraint of trade. Evidence was taken by a special examiner appointed by the circuit court on June 24, 1907, and on March 22, 1909, his report was filed. The court heard the case in April and decided in favor of the government, and a decree was entered against the Standard Oil company of New Jersey as well as thirty-six domestic companies and one foreign company in all which the New Jersey concern held a controlling stock interest. An appeal taken to the Supreme Court was argued in March, 1910, restored to the docket, and re-argued in January, 1911, after which the court handed down its decision, unanimous in all major points, sustaining the lower tribunal. The most important part of the court's opinion was that which redefined the meaning of the anti-trust act. It was held that the language of the first section where "every contract, combination in form of trust or otherwise, or conspiracy in restraint of trade or commerce" was declared illegal, must be construed in the light of the second section where "every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize, any part of the trade or commerce among the several states, or with foreign nations," was guilty under the act. After emphasizing the fact that the law was calculated to prevent *undue* restraint or monopolization, the court said that, "in any given case for the purpose of ascertaining whether violations of the section have been committed," the criterion was "the rule of reason guided by the established law and by the plain duty to enforce the prohibition of the act and thus the public policy which its restrictions were obviously enacted to subserve."

The Standard Oil company complied with the decision and began the slow process of "unscrambling the egg." The subsidiary organizations were separated and given properties upon a basis of original capitalization and actual value. When this division was finally made, the control of the various concerns still rested in the hands of pretty much the same group of men. There was nothing to prevent harmony of operation. Today one properly speaks of the Standard Oil group and means the several units in which the men who organized the Standard Oil, or their successors, are in control. It cannot be said that the decision retarded combination, but it did mean that the highest court recognized in a way the economic tendencies of the time and interpreted the law accordingly.

Two weeks later, on May 29, the chief justice[1] handed down a decision in the case of the American Tobacco company against which suit had been instituted in a circuit court in 1907. Here, as in the Standard Oil case, the "rule of reason" was applied. Because of attempted monopolization the American Tobacco company was declared an illegal combination in restraint of trade, and, with some modifications, the decree of the lower court for its dissolution was affirmed. In neither of these decisions was there anything which was calculated to alarm business: J. P. Morgan, as a matter of fact, spoke of them as "eminently satisfactory." On the other hand those who had hoped for great things from these cases were visibly disappointed and did not hesitate to assert that the Supreme Court had betrayed the people. Nevertheless, the cases cleared the air to a certain degree. They embodied the growing idea that mere bigness was not necessarily an indication of illegality. They emphasized the conviction that somehow large-scale industry had become a necessary part of modern economic organization and that some means must be found to control it.

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[1] President Taft had an opportunity to remake the supreme bench. Chief Justice Fuller died in 1910 and Associate Justice White was promoted to his position while the vacancy was filled by the appointment of Mr. Hughes. A year before Horace H. Lurton of Tennessee had been put in the place vacated by the death of Justice Brewer, and Willis Van Devanter of Wyoming, Joseph R. Lamar of Georgia, and Mahlon Pitney of New Jersey were successively appointed as vacancies occurred.

The years 1911 and 1912 were more than ordinarily prolific in suits, investigations and the like which concentrated attention on big business. In December, 1912, the criminal provisions of the anti-trust law were invoked against officials of the great packing houses which, in 1903, had been united as the National Packing Company. An earlier investigation had produced, in 1906, an "immunity bath," and the government lost its case in 1912. New suits were instituted and the packers decided to wind up the affairs of the National Packing Company rather than run the risk of application of the "rule of reason." Early in 1912 the Stanley Commission began to inquire into the affairs of the United States Steel Corporation, and before its work was completed the department of justice instituted a suit to bring about its dissolution as an illegal holding company. The steel corporation officials protested that it had been subjected to close examination and never had the question of its legality been seriously raised. Furthermore Secretary of State Knox had earlier been counsel of the corporation and neither he nor his firm had ever suggested that it might be violating the anti-trust act. Another attack on big business came with the appointment of four different committees to find out whether there was a "money trust." The Pujo sub-committee of the house committee on money and banking attracted most attention. While it could not prove the existence of a real "money trust" it did bring out the fact that certain banks and trust companies of New York exercised a powerful influence in the industrial affairs of the country.[1]

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[1] Samuel Untermeyer, testifying before the house committee on rules, had made statements which instigated certain of the inquiries. He said: "That as a result of recent consolidations of industrial and railroad corporations the control of the finances of these corporations had drifted into the hands of a few groups of men in New York City, who, by virtue of their power to protect against competition and to supply funds when required, practically dominate the management of these corporations.

"That these same groups of men by virtue of their control of the funds of their corporations, have been able to build up and dominate most of the great banks and trust companies in the city of New York and to influence the use of their vast deposits for the enterprises in which they are interested or which they approve."

An unusual number of labor disturbances in these years accentuated the interest in industrial issues. The strikes in which the I. W. W. took a part, the dynamiting outrage in Los Angeles which brought the conviction of the McNamara brothers, produced a wide spread sentiment that something was wrong. While people generally did not approve of the violence they had an uneasy feeling that it was a symptom of something radically out of adjustment.

The Republican Schism

The inquiries, prosecutions and labor unrest, all concentrated attention on the coming presidential election. It was not to be merely a contest between political parties for office; it was a lining up with respect to the great economic issues before the country. Both Republicans and Democrats fell into the two groups which may be denominated conservative and progressive. The former included people all the way from the reactionary who would have the government keep it hands off economic questions as far as possible, to those who, while not denying the necessity of some action, wished to go slow, to let existing legislation be tried out before any new experiments were launched. The progressives ranged from some who were not far removed from the conservatives to men like La Follette who demanded drastic action both as to political machinery and the regulation of economic units. Beyond these were people who questioned the utility of the whole economic structure and demanded the introduction of socialism as a remedy, while, a fringe as yet, the out-and-out radicals, typified in some degree by the I. W. W., were for immediate action without recourse to political machinery in order to oust capitalism and put the workers in control of production agencies.

As events of the preceding two years had shown, the Republican party seemed to be far more seriously rent than the Democratic. Taft was acceptable to the conservative faction, but when he announced his intention to run again, the progressive group cast about for another leader. At first everything pointed to Robert M. La Follette, the leader of the radical element among the Republicans in the senate. On Roosevelt's return to the United States and his participation in the campaign of 1910 the situation changed. From all sides came the demand for "Teddy." Nevertheless he remained mute on the subject neither letting it be understood that he was in the running, nor definitely putting an end to the rumors that he would accept another nomination. On the evening of February 2, 1912, Senator La Follette addressed some six or seven hundred members of the Periodical Publishers' Association at Philadelphia. He was prolix, he repeated himself, attacked the press and abused his audience for its lack of attention. Then, when the affair was over, he suffered a physical collapse. The kindly disposed were inclined to attribute his eccentricities to his physical condition, but generally it was believed that he had killed whatever chances he had ever had for the Republican nomination. His western friends, however, did not desert him. "Mr. La Follette may have broken down temporarily," said Senator Gronna of North Dakota. "His friends, nevertheless, will support him to the end."

La Follette's misfortune made the call for Roosevelt more insistent. On February 10, seven Republican governors and representatives of the progressive sentiment in seventeen other states met in Chicago to make plans for nominating him. The governors told him that a majority of the Republican party desired to support him in the coming election, and they asked him for assurance that he would accept a nomination. After two weeks Roosevelt announced that his "hat was in the ring"; he would accept the nomination if it came from the regular Republican convention. On March 2 in a speech to the Republican state convention at Columbus he outlined his platform. He did not directly attack Mr. Taft and his administration but he propounded theories of government which were far removed from those advocated by the president. His utterances were contrasted with what the president had said in a Lincoln Day address when he had denounced the progressives as "neurotics" and upheld the course of the regular Republicans.

La Follette and his supporters believed that they had been betrayed; Roosevelt was reaping the benefits of the Wisconsin man's work. In March North Dakota held its primaries and the Republican support was strongly for La Follette. This early encouragement, however, was not duplicated in other states for the contest settled down to one between Taft and Roosevelt, with very little attention to La Follette, Cummins, Fairbanks, or Justice Hughes, all of whom had a small following. In almost every case the popular support for Roosevelt was overwhelming. Illinois, Pennsylvania, California, Nebraska, Oregon, New Jersey and South Dakota pledged all or a considerable part of their delegates to him. Even in Ohio, Taft's own state, the vote was for Roosevelt. In a number of states, including Indiana, Texas, Washington, Michigan and some southern states the progressives maintained that they had been cheated in conventions and proceeded to select contesting delegates.

When the Republican convention met in Chicago Elihu Root, over the protest of Mr. Roosevelt, was made temporary chairman. His "key note" speech showed that he was in little sympathy with either the Roosevelt boom or the program which the progressives had mapped out. After a week of deliberation the committee on credentials recommended seating most of the Taft contestants, so that he would have a clear majority of the 1078 delegates. On June 20, Roosevelt, who had gone to Chicago to watch proceedings, issued a statement protesting against the action as violating the will of the Republican voters and advised his adherents to have no further part in the proceedings. Under these circumstances the majority had no difficulty in carrying through their plans of adopting the platform prepared by the committee on resolutions by a vote of 666 to 33 with 343 not voting, and nominating President Taft with 561 votes, with sixty votes scattered between La Follette, Cummins and Hughes, and 344 delegates not voting.

The Progressive Party

Most of the Roosevelt supporters assembled in another hall in Chicago and nominated Roosevelt as the regular Republican candidate, but he would not accept under such conditions. He recognized them, he said, as the duly elected delegates from the Republicans of their respective states, but

> . . . I ask you to go to your several homes to find out the sentiment of the people at home, and then again come together, I suggest in mass convention, to nominate for the Presidency a progressive candidate on a progressive

platform, a candidate and a platform that will enable us to appeal to Northerner and Southerner, Easterner and Westerner, Republican and Democrat alike, in the name of our common American citizenship.

Roosevelt's advice was followed, but before leaving Chicago the delegates selected a committee to plan the work and tentatively the name "Progressive" was selected for the new party thus informally organized. Early in June the committee issued a call, signed by men representing forty states, to all people of whatever previous party affiliation, who had progressive aspirations, inviting them to select delegates for a convention to meet in Chicago on August 5. The movement took form; local and state committees were organized, and, on the date set, some two thousand delegates, men and woman, assembled in the Colosseum. In some ways it was like other similar conventions, in many ways it was not. Professional politicians, social workers, reformers and fanatics rubbed shoulders. After organization there was a demand for "Teddy" who, as the "guest" of the convention, gave them in a 20,000 word speech his "Confession of faith," ending with the words which soon were a political slogan, "We stand at Armageddon, and we battle for the Lord."

The platform, which had been carefully worked out in advance, was in striking contrast to the Republican document. As to political machinery it called for direct primaries, including expression of preference for president, direct legislation, direct election of senators, the recall including the recall of judicial decisions, more publicity for campaign expenses, woman suffrage, registration of lobbyists, creation of a department of labor, and a simpler method of amending the constitution. On the economic side it called for a tariff which should be no higher than would equalize the cost of production at home and abroad, a stronger anti-trust law, minimum wage and child labor laws, legislation dealing with factory conditions to promote health and decrease injuries, provision for industrial education, social insurance, and laws to promote the welfare of the farmer by facilitating and by extending credit to him. Theodore Roosevelt was selected for the presidential candidate by acclamation and Hiram Johnson, a progressive senator from California, was given second place. The organization was formally named the Progressive Party, and the Bull Moose was chosen as its symbol.

The Democrats and Woodrow Wilson

The split in the Republican ranks emphasized the fact that everything had been pointing to 1912 as a Democratic year. The Democratic party, however, did not have a long list of outstanding men from among whom a presidential candidate might be picked. Nevertheless there were four possibilities. One was Speaker Champ Clark of Missouri who was classed as a moderate progressive. Oscar Underwood of Alabama, a conservative Democrat of the southern school, commanded the support of the eastern and southern wing of the party which had never been satisfied with the leadership of William Jennings Bryan. In addition to these two men were two governors who had made a notable record both in the manner in which the electorate had supported them and in the conduct of affairs during their gubernatorial tenure. The first was Judson Harmon of Ohio and the other Woodrow Wilson of New Jersey. Of Scotch lineage Mr. Wilson was born in Virginia where his father was minister of the Presbyterian church of Staunton. His youth was spent in the South. In the troublesome days of reconstruction he went to school in Columbia, and then in 1874, to Davidson College in the foothills of North Carolina. Later he went to Princeton University and then studied law at the University of Virginia. In 1882 with another young lawyer he opened an office in Atlanta where he remained only a year, for the practice of his profession did not appeal to him. His mind turned rather to questions of government, constitutional law, and international affairs. This impelled him to go to the newly established Johns Hopkins university at Baltimore where he spent two years in the study of history and politics. Turning definitely to the field of education and writing, the next years of his life were spent at Wesleyan University, at Bryn Mawr, and finally at Princeton where, in 1890, he became professor of jurisprudence. This chair he held until 1902 when he was elected to the presidency of the college. He now set himself to the task of improving scholarship, of inculcating the theory of work as a part of a university career, and of trying to break down a tendency which had given Princeton the reputation of an "aristocratic" institution, where social prestige was emphasized at the expense of scholastic attainment. His plans met with opposition from groups among the students, alumni and faculty. The controversy received considerable notoriety and made Mr. Wilson a fairly well known man.

In 1903, when he was inaugurated at Princeton, he had met Colonel George Harvey, editor of *Harper's Weekly* and of the *North American Review*, two magazines commonly reputed to be "Morgan" organs. In 1904, after the defeat of Judge Parker, Mr. Wilson won the approval of an audience which he addressed in New York on the problems of the time, and two years later Colonel Harvey made up his mind that here was a man who might be groomed for the presidency on the Democratic ticket, one who could gain the support of the eastern democracy and oppose the domination of Bryan. Quietly and unostentatiously the Colonel spread this notion among eastern Democrats, and began a campaign of making Wilson known to the country at large. Rejection of an important factor of Mr. Wilson's plans by the trustees of Princeton and the political situation in New Jersey offered an opportunity to draw him into public life. The Democratic party in New Jersey had long been under the influence of a group which practiced Tammany methods and which was, in fact, accustomed to work in harmony with that organization. But this group, of which James Smith, Jr., was the "boss," hated Bryan. Nor was there any closer harmony between the Smith gang and the Cleveland Democrats. To Smith Colonel Harvey went in the late summer of 1910 and asked him bluntly to have Dr. Wilson nominated for the governorship of New Jersey. After some conferences Smith lined up his forces, but without having received any promises direct or implied from the proposed candidate. The seeming strangeness of the proceeding may be accounted for from the fact that the people of New Jersey were restless under the Smith domination and there was every chance that the elections would go against the machine unless it could head its ticket with a name against which there could be no imputation of gang politics. A packed convention nominated Wilson, and he was elected.

By this time Democratic newspapers all over the country were taking account of Wilson; some of them, like the New York *World* came out definitely in advocating his nomination for the presidency in 1912. A carefully conducted campaign of "education" went on while Wilson was governor, and his efficient conduct of affairs aided those who were working up a national sentiment. In the winter of 1910-1911 he went on a speaking trip to the West, everywhere making a most favorable impression. Without all this careful manipulation it is doubtful whether Mr. Wilson would have been able to impress his personality upon a large number of people, although most of those who came in contact with him and many who read of what he was doing in New Jersey, recognized his ability. When the primary elections took place in those states providing for presidential preference his support was imposing. But presidential primaries were the exception and not the rule, and it took something more to make sure of delegates enough to carry two-thirds of the convention. It became generally understood that the political managers of Clark, Underwood and Harmon tacitly agreed that if there was a serious possibility of nominating Wilson their forces would be pooled to back the man most likely to win. There was only one way to prevent the carrying out of such a plan and that was to win the support of Mr. Bryan who, although he had announced that he was not to be a candidate, was still the most potent influence in the Democratic party as a whole. This, however, was not a particularly simple matter. Mr. Wilson had, in 1904, expressed his hope that the Nebraskan might be "knocked into a cocked hat;" agreeing with many of the things that Mr. Bryan advocated, he believed that his general influence had served to divide and weaken Democrats. While neither Wilson nor Bryan at first seemed willing to take the first step, friends of the two got together, and gradually Bryan was won over. This was more easily accomplished because Underwood was backed by the ultra-conservative Democracy of the South, and, although Speaker Clark had progressive tendencies, he was supported by a reactionary machine in his own state and his campaign manager was Senator Martin of Virginia, a man not at all affected by the progressive spirit of the age, while Governor Harmon was commonly understood to be acceptable to large business interests. The work of Colonel Harvey began to appear to Governor Wilson to entail too many implied obligations. Coolness came in their relations until finally Harvey was frankly told by Wilson that his support was detrimental. Whereupon Colonel Harvey shifted his ground and began to campaign as actively for Clark as he had previously done for Wilson.

When the convention met and after a somewhat non-committal platform had been adopted, the balloting for a candidate showed that the strength of the four candidates was nearly equal. On one ballot Clark had a majority of the votes cast. It was after this that Bryan, a delegate at large from his own state, attacked Clark as a man supported by the reactionary wing of the Democratic party and effectually killed his chances. On the forty-sixth ballot Wilson received two-thirds of votes and the nomination. Governor Thomas R. Marshall of Indiana, a "progressive with the brakes on" as he styled himself, was elected vice-presidential candidate.

The Campaign

The real issue of the campaign was progressivism or conservatism. Concretely the principle issues had to do with large scale business and the government. This involved not alone the question of regulating "trusts" and railroads, but subsidiary matters like the tariff. The Republican platform had upheld the Payne-Aldrich revision while the Progressive, not departing from the principle of protection, denounced that particular act as a fraud against the people. The Democratic platform had, in addition to repudiating the Republican law, once more pronounced against protection as unconstitutional. Roosevelt was an avowed protectionist, but he believed that some of the duties should be lowered and that the benefits conferred by this device should be more equally distributed, that some should go into the pay-envelopes as well as into dividend checks. Governor Wilson was opposed to the "exaggerated protective tariff" as unnecessary for the welfare of either the American manufacturer or workingman.

On the trust problem President Taft adhered to his belief that the existing law, somewhat modified, was adequate to handle the situation. Colonel Roosevelt departed entirely from faith in the anti-trust law, accepted the presence of big business as a necessary concomitant of existing industrial life, and advocated regulation and control but not destruction. Governor Wilson, in a speech in Minneapolis in September, said that the Roosevelt program meant "accepted and regulated monopoly." His idea was that the "independent man" could not under existing conditions "remain independent, and by nice arrangements—largely incidental, I don't think they are malignant or intentional—by the nice arrangements of our modern fiscal system, or rather our banking system, it is very difficult for the new adventurer in the economic world to get the necessary credit as against the men who don't want his competition to interfere with their enterprises. . . . We have got to see that the little fellows are protected, and that means that we have got to meet the just criticism of the old, unrestricted competitive system." In the last analysis the positions of Roosevelt and Wilson were not so very far apart; it was more the manner of statement which differed.

There was during the campaign much reference to the "third term" issue. Some regarded the two-term precedent so well established as to be really a part of the customary law of the constitution. So much was made of this point that the Colonel made an attempt to explain his words of 1904. Although most people were not inclined to be seriously impressed with the strength of the argument for voting against the ex-president on account of the third term shibboleth, many of them felt that he weakened his cause by not stating frankly that he had changed his mind because conditions were different. In October, when on his way to address an audience at Milwaukee, Colonel Roosevelt was wounded by a shot fired by a man standing near the curb. No serious injury resulted but the episode had a sobering effect on the campaign. Wilson and Taft immediately cancelled their speaking engagements until their opponent should be restored to health, but before this occurred election day arrived and the campaign was over.

The total popular vote was 15,031,169. Of these the Democratic electors received 6,293,019, the Progressives 4,119,507, and the Republicans 3,484,956. The distribution was such that Wilson and Marshall received the electoral vote from all but eight states, a total of 435. Mr. Taft had a plurality only in Utah and Vermont netting him but eight electoral votes; Mr. Roosevelt's 88 electoral votes were delivered by Michigan, Minnesota, Pennsylvania, South Dakota and Washington, with eleven of California's thirteen. One of the interesting features of the vote was the great increase of Socialist support which jumped from the 420,793 of 1908 to 901,873. The states casting the largest Socialist vote were Ohio, California, Illinois, and New York. The Prohibition vote fell off and the Socialist Labor grew from 13,825 to 29,259.

It was a Democratic year in congressional returns. In the house of the sixty-fourth congress the Democrats would number 290 and the Republicans 145. In the senate, where the Republicans had still retained their majority from 1911 to 1913, the balance of power was shifted to the other side with 51 Democrats and 45 Republicans. Some of the surprising results of the election were defeats administered to Joseph G. Cannon, John Dalzell of Pennsylvania, Cyrus A. Sulloway of New Hampshire and William B. McKinley. Of the recognized leaders of the Old Guard in the house only Sereno E. Payne and James R. Mann would be present to take the oath when organization was effected in 1913.

BIBLIOGRAPHICAL NOTE

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CHAPTER XXIII

PRESIDENT WILSON'S PEACE PROGRAM

While the situation facing President Wilson did not have many of the difficulties which confronted the previous Democratic incumbent, it was not a simple one. The President had a nominal majority in both houses of congress, but it was not a unit in political or economic outlook. In the South the dominant faction was conservative and had little sympathy with many of those things which progressivism demanded: woman suffrage, for example, had become a vital issue, and nowhere south of Mason and Dixon's line was there any enthusiasm for this innovation; federal child labor laws, demanded in the North and West, were not popular in the South. Moreover, just as the Democratic party in the North frequently acknowledged the authority of a political boss or small clique, so in the southern states there was a dominance of like nature. In Alabama the steel and iron men ran the politics of the state. In Virginia the railroad interests had for at least two decades dictated to the legislature and to congressmen. The Missouri senators and Speaker Clark together headed one of the most reactionary political machines in the country. The industrial revolution, while less firmly entrenched, was quite as much a factor to be considered as it was in other parts of the country. Moreover the Negro question was always present.

On the whole the forces which had given rise to the progressive movement, while numerous, were less well co-ordinated than those which opposed on principle or from direct interest any material change in the *status quo*. It is to be presumed that had Mr. Roosevelt been elected he would have faced a much less difficult task than did Mr. Wilson because he had a great personal following who took his word for gospel. Then, while everything which connoted "big business" had not been overjoyed at the prospect of "four more years of

Teddy," it had not been unduly alarmed, for it was thought that lifelong affiliation with the Republican party, prior to the break in 1912, would hold him more or less in line. Mr. Wilson was an unknown quantity; but, from what he had done as governor of New Jersey and what he had said during the campaign, there were fears that he might prove a dangerous factor. On the other hand a large number of people who had voted for Roosevelt would have taken Wilson as a second choice. They feared, however, that while his intentions might be good his inexperience in politics would make him a victim of astute leaders in his own party. But those who feared for the president failed to consider his attitude toward his position and its responsibilities. He believed it the duty of the president, as representing the whole nation, to furnish leadership and guidance in policies rather than await the voice of congress.

President Wilson and his Cabinet

The new administration opened auspiciously with one of those beautiful spring days which Washington can furnish on occasion. Popular fancy was taken by the spirit of the brief but trenchant and carefully prepared inaugural in which was epitomized much of what the president had been saying during the campaign: "Our duty," said he, "is to cleanse, to reconsider, to restore, to correct the evil without impairing the good, to purify and humanize every process of our common life without weakening or sentimentalizing it . . . . Our work is a work of restoration." Specifically he called attention to the tariff as something which cuts the United States "off from our proper part in the commerce of the world, violates the first principles of taxation, and makes the government a facile instrument in the hands of private interests; a banking and currency system based upon the necessity of the government to sell its bonds fifty years ago and perfectly adapted to concentrating cash and restricting credits; an industrial system which . . . holds capital in leading strings, restricts the liberties and limits the opportunities of labor, and exploits without renewing or conserving the natural resources of the country; a body of agricultural activities never yet given the efficiency of great business undertakings or served as it should be through the instrumentality of science taken directly to the farm, or afforded the facilities of credit best suited to its practical needs; watercourses undeveloped; waste places unreclaimed, forests untended, fast disappearing without plan or prospect of renewal, unregarded waste heaps at every mine."

When the president sent his cabinet nominations to the senate the name of Mr. Bryan headed the list as secretary of state. This was a political appointment forced by circumstances, although Mr. Bryan had never had any experience which would indicate his fitness for that position. Two other political nominations were those of Josephus Daniels of North Carolina as secretary of the navy, and Albert S. Burleson of Texas as postmaster-general. William G. McAdoo, as secretary of the treasury, was one of the few men associated with New York finance who had worked for Wilson in the campaign. William C. Redfield of New York became secretary of commerce, David F. Houston of Missouri, an economist and educator, secretary of agriculture, and William B. Wilson of Pennsylvania, a labor leader, secretary of labor. For the war department the president's choice had fallen first upon A. Mitchell Palmer, of Pennsylvania, but this gentleman had declined because he was a Quaker; whereupon, on the recommendation of his private secretary, Joseph P. Tumulty, Mr. Wilson invited Lindley Garrison, at the time chancellor of New Jersey, to accept the charge. Franklin K. Lane, of California, secretary of the interior, had been a member of the interstate commerce commission, and James G. McReynolds of Tennessee, who had been an assistant attorney-general and had helped in the prosecution of the American Tobacco company, was put at the head of the department of justice. Garrison, Lane and Houston were generally looked upon as the outstanding men.[1]

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[1] When the question of confirming the appointments was before the senate, determined opposition to Mr. McAdoo developed on the part of a small group. This grew out of the determination of William F. McCombs to prevent McAdoo's getting the place. Mr. McCombs had been the president's campaign manager, and a rather troublesome one. During the last part of the canvass he had been ill and this accentuated the jealousy which he frequently displayed against certain other Wilson workers, notably McAdoo, who, according to him, was bringing the atmosphere of Wall Street too noticeably into the game. Mr. Mc-

A Democratic Tariff

While the sixty-second congress was in session in the winter of 1912–1913 the Democratic members of the house committee on ways and means blocked out a revision of the tariff. A bill, therefore, was ready when the sixty-third congress assembled on April 8 in response to the president's summons. A precedent of a hundred years was broken when Mr. Wilson appeared in person to read his message which asked congress to fulfill the tariff promise made in the Democratic platform.

Open consideration of the Underwood bill began in the house on April 22, and so united was the Democratic support that it was passed by this branch on May 8 by a vote of 281 to 139. When it reached the senate the real fight began. In this body the Democrats had a majority of only six members. Furthermore, party lines were obscured when there came a question of protecting local industries. The Republican and Progressive senators, however, were unable to pull together in opposition, and the political astuteness of the president in guiding the fight was a surprise to all and a delight to his adherents. On May 26 Mr. Wilson gave out for publication a statement in which he said:

> I think that the public ought to know the extraordinary exertions being made by the lobby in Washington to gain recognition for certain alterations in the Tariff Bill. Washington has seldom seen so numerous, so industrious or so insidious a lobby.[1]

The "lobby," especially the one working to save duties for sugar and wool, after the president's statement was noticeably less active. Amended in some degree, and with a provision for a graduated income tax, the bill passed the senate on September 9.

Combs was offered the choice of the German and French embassies by the president. He refused one at first, then accepted, then refused again, and so kept the matter dangling until into July. He became a most bitter opponent of the president and at his death left a manuscript in which he expatiated at length on how badly he had been treated. Unfortunately for Mr. McCombs the work was published, for while the reader can sympathize with certain of his disappointments, his distorted account of events is too obvious to be ignored.

[1] Three days later, as a result of a resolution introduced by Senator Cummins, the senate instituted an inquiry into the matter. In like manner the house, on July 9, took action. The result of the investigations showed that there had been maintained at the capital for the past generation a paid lobby which had worked for legislation friendly to certain interests. Many persons were shown to have been in the pay of this lobby, all the way from door keepers to members of the two houses, and that some projected legislation had been prevented, that there had been interference with elections, and that appointments even of cabinet officers had been affected.

In conference adjustments were made so that the revised measure was passed by the house on September 30 by a vote of 255 to 194 and on October 3 by the senate, 36 to 17.

Among the more noteworthy changes wrought by this measure was the addition to the free list of more than one hundred articles: many foodstuffs such as corn, potatoes, wheat, flour and meats were removed from the dutiable list; sugar rates, beginning January 1, 1914, were reduced, and on May 1, 1916, removed entirely. Wool was made free, and the duties on woolen goods sharply cut. Iron ore and steel rails went on the free list and the duty on pig iron was reduced. Lumber and unmanufactured wood products were likewise taken from the dutiable list, and wood manufactures had their protection scaled down. Altogether there were 958 reductions. While the maximum and minimum provisions of the previous law were repealed, the president was authorized to negotiate agreements with foreign nations whereby "freer trade relations and further reciprocal expansion of trade and commerce" might be brought about by concessions on both sides. Furthermore, if it appeared that any articles were being "dumped" by foreign countries on the American market, or special bounties or other government aids encouraged the undermining of prices in the United States, additional *ad valorem* duties might be imposed not to exceed fifteen per cent. The income tax was expected to offset anticipated reduction of federal income from lowered duties on imports.

The Federal Reserve Act

In April the president had said that he intended at a later date to call attention to "reforms which should press close upon the heels of the tariff changes, if not accompany them, of which the chief is the reform of our banking and currency laws." Accordingly, while the senate was still discussing the Underwood bill, he went before congress on June 23 to urge a sweeping change. The matter had been taken up by majority members of appropriate committees in each house for the report of the Aldrich commission had been sent to the previous congress in response to a resolution calling for it. This report recommended the establishment of a central banking institution. The majority members of the house committee on banking and currency reflected the views of those who feared the effects of such concentration and preferred a system which would not tie the economic interests of the country so irrevocably to a single institution with a possibility of financial domination by a small group. Carter Glass introduced the committee's bill, which had been outlined after consultation with Democratic leaders in the senate and with the president and Secretary McAdoo, and the house, with some grumbling at the steady grind, immediately set about its consideration. While differences of opinion among Democrats themselves produced some modifications, the bill was passed on September 18, 1913, by a vote of 298 to 60, with its original essentials intact. The senate protracted the discussion in an attempt to secure more drastic changes in the Glass plan, but, on December 22 and 23, after the regular session had started, the house and senate respectively adopted what is known as the Glass-Owen Federal Reserve act.

The Federal Reserve act ranks with Hamilton's financial projects and with the national banking acts as a great constructive measure. It was designed primarily to accomplish two things: to provide a currency which would be elastic, contracting and expanding as economic needs dictated, and to organize the banking power of the country in such a way as to utilize credit to tide over emergencies. The machinery provided by the act consisted first of a Federal Reserve Board of seven members, the secretary of the treasury and the comptroller of the treasury *ex officio* and five appointed by the president for ten year terms, with general supervisory powers. The country was divided into twelve districts with a Federal Reserve Bank in each. Every national bank was required to become a member of a reserve bank, while other banks and trust companies complying with specified regulations might also become members; each bank was obliged to take stock in the reserve bank to an amount equal to six percent of its paid-up capital and surplus. The administration of a reserve bank was vested in a board of nine directors, three representing member banks and three the "commercial, agricultural and other industrial" interests of the district, all elected by member banks, and three chosen by the Federal Reserve Board. If member banks failed to subscribe the full amount of capital stock the remainder might be taken by individuals, but they were to have no voice in the selection of directors or otherwise participate in the management of the bank. Each federal reserve bank was to be a bank for banks; it did not transact business with individuals or industrial concerns. To secure the desired elasticity of currency it might lend to member banks Federal Reserve Notes secured by forty percent in gold or "lawful currency" and by approved two-name paper which had been previously discounted by the borrowing bank. The notes taken as security could not have a maturity of more than sixty days although a limited amount of ninety-day agricultural paper might be taken. The member banks paid interest at a rate fixed by the directors of the reserve bank and approved by the Federal Reserve Board. The act further contemplated a gradual replacement of all national bank notes by Federal Reserve bank notes guaranteed by the same kind of securities.

On November 16, 1914, the plans under the act were completed, and reserve banks organized and the requisite portion of capital paid in so that the new system could be started. The European war with consequent disarrangement of the money market subjected the scheme to as severe a test as could have been devised, and it withstood successfully the trying depression and also ministered to the extraordinary demand for credit and currency expansion which came with war demands. The plan was not without critics both before and after it was put into operation. It was especially opposed by certain banking interests which believed that it was not the duty of the government to interfere in "private" business. The Federal Reserve Board, too, was accused of acting with partiality to certain industries, particularly after the war was over, but, on the whole, general approval was manifest.

"TRUST" LEGISLATION

The economic and financial plans of the administration did not stop with the tariff and banking and currency legislation. The "trust" problem had been emphasized during the campaign and it too came in for consideration. The Republicans contended that the existing anti-trust law was essentially adequate to the situation, but both Democrats and Progressives insisted that more specific legislation was needed. In the house of representatives the committee on the judiciary had already shaped bills embodying ideas approved by President Wilson and, on January 20, 1914, he appeared in person to urge action on both houses. The message which he read contained no surprises, for the "Seven Sisters" which he had pressed upon the New Jersey legislature, contained the essence of his views. His suggestions, embodied in bills already framed and known as the "Five Brothers," proposed legislation which would (1) prohibit interlocking directorates, (2) provide federal supervision of railroad finance, (3) create a federal trade commission, (4) make a new and more exact definition of the terms used in the act of 1890, and (5) establish methods of reaching individuals who were responsible for the wrong-doing of corporate organizations. "Until these things are done," said the president, "conscientious business men the country over will be dissatisfied. . . . We are now about to write the additional articles of our constitution of peace, the peace that is honor and freedom and prosperity."

Work on the proposals started immediately, but it was not finished until October. It required all the skill which men were beginning to concede the president to bring different factions together to turn out two measures which contained in part some of the views he advocated. At first the senate and house were widely apart in their opinions; each passed a different bill for a federal trade commission. Nevertheless, in September the Federal Trade act was presented to Mr. Wilson for his signature, and it coincided closely enough with his views to receive his approval. In brief it provided for the creation of an independent board of five members whose functions were to examine into existing and proposed combinations to see whether they complied with the laws of the United States. It was to advise in the reorganization of corporations, when that should be necessary, so that they should cease to violate the letter and spirit of the statutes; when equity suits were brought by the department of justice, this board was to issue decrees; to it annual reports must be made by corporations engaged in interstate commerce; and it was to see that fair practices prevailed.

In April Congressman Clayton, who, at the request of the president, had not accepted an appointment to the United States senate in order that he might remain in the house to direct this legislation, brought in a bill which incorporated the other proposals. In form it was an amendment to the act of 1890, but practically it was a new anti-trust measure. It was discussed throughout the summer and finally passed by the senate in a somewhat amended form early in October; shortly afterward the house accepted the changes and it was signed on October 15. The Clayton anti-trust act defined more exactly what a "combination in restraint of trade" among the several states and with the foreign nations was. Interlocking directorates in banking, transportation and certain other lines were prohibited; discrimination in prices was forbidden when this device was used to lessen competition; and no corporation was to be allowed to acquire another, wholly or in part, where such absorption would substantially lessen competition and promote monoply. Both the interstate commerce commission and the federal trade board were charged with enforcing the act, the former with respect to common carriers, and the latter in the case of other industries. As a result of great pressure from the lobby of the American Federation of Labor and also from agricultural groups, specific exemption from the provisions of the act were made of labor, agricultural and other nonprofit organizations. The act did more than clarify the existing law. It stood as a testimony to a change which had come in the thinking on the subject of big business. In a sense putting in legislative form the "rule of reason" which the Supreme Court had enunciated in 1911, it recognized the indisputable fact that combination was a concomitant of modern business, but it sought to regulate that combination in the interest of the general public. It recognized, moreover, the necessity of seeking foreign markets and allowed certain combinations, prohibited at home, for the purpose of trading abroad. These two acts, together with the revision of the tariff and the federal reserve act, may be said to constitute the backbone of the economic program of President Wilson, and, to some degree, that of his party, although it was obvious that it was in great measure due to the president that definite formulation of inchoate ideas had taken place.

COMBINATIONS AND THE COURTS

While congress was engaged in revamping the anti-trust law, the department of justice was approaching the problem of combination from the administrative side. Generally speaking Attorney-General McReynolds sought to bring about compliance with the law through friendly negotiations, on the assumption that those concerned with these combinations preferred to stay within the spirit as well as the letter of the law and make necessary readjustments. Nevertheless the use of the courts was not given over, for not only was there carried on the prosecution of suits already begun, but new ones were started. Among the many cases pending when the Wilson administration came into office the more important were those against the Great Lakes Towing company, the American Sugar Refining company *et al.*, the *Hamburg-Americanische Packetfahrt Actien Gesellschaft* and others with respect to an alleged combination of steamship lines to regulate American steerage traffic, the United States Steel Corporation, the National Cash Register company, the United Shoe Machinery company, the Keystone Watch Case company, the American-Asiatic Steamship company, and the International Harvester company.

During the first two years of President Wilson's first term a large number of new suits were instituted against various alleged monopolistic combinations. All sorts of industries were represented in the concerns brought before the courts. They included the Eastman Kodak company, the Quaker Oats company, the Southern and Central Pacific Railway companies to bring about the separation of the two roads, the Lehigh Valley Railroad company for alleged monopolization of the production, transportation and sale of anthracite coal, Knauer *et al.*, on the ground of attempted restraint in plumbing supplies, the Booth Fisheries company to prevent monopolistic control of the trade in fresh fish, McCoach and others for attempted control of the sale of potatoes, the American Can company, the United Shoe Machine company charged with violating the Clayton act by including in contracts certain "tying clauses" in connection with the use of its machines, and William Rockefeller and others who were at one time or another directors or officers in the New York, New Haven and Hartford Railroad company.

The last case was one which attracted especial attention, for the officials of this road were charged with attempting to secure control of practically all transportation facilities in southern New England in order to eliminate anything like competition. In 1913 the attorney-general entered into negotiations with the officials of the road to bring an end to unlawful practises and at the same time safeguard the interests of both stockholders and the public. The attempt failed, for he was obliged to inform the president that no settlement could be reached whereby the government would be satisfied. Thereupon, on July 23, 1914, President Wilson directed Mr. McReynolds to bring suit against the combination for violation of the anti-trust laws. The civil suit, begun in the court of the southern district of New York, was won by the government, and the decree ordering dissolution was upheld by the Supreme Court. The whole proceeding was protracted by numerous returns for extensions and modifications, but on the whole the contention of the government was sustained. The criminal suits, however, were less successful, for none of the indicted persons were found guilty.

The National Cash Register company was proceeded against in the court of the western division of the southern district of Ohio, and the allegations of the government were found to be well established. The defendants accepted the decision of the lower court and a decree was entered ordering them to abstain from the practices which had been the basis of the original suit: they were not to induce the purchasers of competing machines to break their contracts in order to buy the National product; they were to stop espionage whereby information had been obtained about the business of competitors; they were to cease trying to worm trade secrets from employees of competing concerns, or from using the information thus obtained; they were not to manufacture machines similar in design to those of a competitor in order to undermine his market, or to sell second-hand machines "for the purpose not of realizing therefrom as much as practicable but for the dominant purpose of underselling a competitor and driving him from business;" and, in general, from pursuing a course the object of which was to crush a competitor by unfair means.

In the case of the United States Steel Corporation the government lost its contention in the lower court in 1915, and the Supreme Court sustained the judgment, thus giving this gigantic organization a clean bill of health so far as the anti-trust law was concerned. Two justices, McReynolds, who as attorney-general had been concerned earlier in the case, and Brandeis, did not participate in the decision, and of the remaining seven four agreed that the Steel Corporation was innocent and three dissented. In the Eastman Kodak suit the government in part won its case, and the Eastman Kodak Company of New Jersey and that of New York were ordered to separate. The International Harvester Company likewise was directed to divide into not fewer than three organizations with no interlocking of directorates. In the suit of the United States *v.* the Southern Pacific the majority of the judges of the eighth circuit sitting at St. Louis in 1917, found that the government's contention was not well founded, but an appeal was taken and the case went to the Supreme Court.[1]

The Seamen's Bill

Closely allied with the economic legislation of 1914 was the Furuseth Seamen's bill enacted in 1915. It met with great opposition and was passed only with the assistance of administrative pressure. It revolutionized prevailing practices in that it tended to limit the powers of a sea captain both at sea and in port. It laid down regulations regarding the physical care of sailors on board vessels entering ports of the United States; under it any seaman, on entering an American port, could demand the wages due him, and it was made virtually impossible to force his return if he should desert. Among the reasons for opposing the measure was the feeling that it would deal a final blow to American foreign shipping since it would necessarily increase the cost of maintenance of the merchant marine. Furthermore, since its provisions were contrary to prevailing practices, it would necessitate modifications in commercial treaties. It was obvious that the act would be tested in the courts, and in 1920 the Supreme Court sustained the part which had to do with wages.

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[1] In the summer of 1923 the Supreme Court pronounced the combination not a conspiracy in restraint of trade under the act.

LEGISLATION FOR THE DEPENDENCIES

This economic legislation, however, had not taken all the time of congress or the attention of the president. In March 1914 Mr. Wilson asked congress to repeal the discriminatory tolls provisions of the Canal Act. Questions of the dependencies, especially Porto Rico and the Philippines, were emphasized. In 1912 the Democratic platform had recommended early independence for the Filipinos and a more liberal treatment of the Porto Ricans. The new governor of the Philippines, Francis Burton Harrison, who succeeded Cameron Forbes, had, when inaugurated at Manila, stated that the policy of the government was to forward the interests of the islanders with a view to fitting them for ultimate independence. This, together with the plank in the platform, raised in the Filipino *intelligentsia* the hope that independence was coming in a very short time. Before congress took action President Wilson increased the representation of native Filipinos on the commission so that Americans formed only a minority. This indication of a change in policy did not pass without notice. Men like ex-President Taft and others who had been closely in touch with island affairs declared that it would be years before the Filipinos were ready for absolute self-government and independence. Moreover when congress, in the session of 1914, came to consider the question of government for the islands it was apparent that even within the Democratic party there were doubts as to how far it was wise to go. Nevertheless, on October 14, the house passed the Jones bill, which would give the Philippines a government more like the traditional territorial organization. The Jones bill also stated that it was the intention of the government of the United States to accord independence to the islands as soon as a stable government should be established. When it reached the senate the bill encountered opposition, and, although it was carried over into the short session no action had occurred when the sixty-third congress came to an end on March 4, 1915, despite the fact that President Wilson in his second annual message had urged the completion of the act.[1]

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[1] Something of the reaction produced in certain circles by the Philippine policy of the administration was exemplified later in December at the annual "wallow" of the Washing-

When the new congress met in December, 1915, the Philippine bill was introduced again, and on February 3, 1916, the senate passed it, with the Clarke amendment, adopted by the casting vote of Vice-President Marshall, promising complete independence in two years, or, if the president deemed it wiser, in four years from the date of approval of the act. In the house the Clarke amendment was expunged and the original Jones bill repassed. After long consideration and reference to a conference committee the measure was adopted and signed by the president on August 29, 1916. By the Jones bill the commission was abolished and its place filled by a senate of twenty-four members: twenty-two of the members were to be elected by the same body of voters who selected the lower house; the other two were appointed by the president to represent the non-Christian tribes. The electorate was nearly quadrupled by extending the franchise to all who spoke and wrote a native dialect. The principal administrative officials and the justices of the Philippine Supreme Court continued to be appointed by the president.

Another insular problem with which the Wilson administration had to deal arose in Porto Rico. While the Foraker bill of 1900 had bestowed upon the Porto Ricans a much larger degree of self-government than had been enjoyed by the Filipinos down to 1916, there were points which caused dissatisfaction and irritation. From the standpoint of economic development the Porto Ricans had, at least as soon as the tariff restrictions had been removed, prospered more than in the period before American rule, but irrespective of this consideration there were at least two things which remained a constant source of complaint. In the first place so long as the majority of the executive council was made up of Americans the Porto Ricans felt that they had cause to feel humilated; in the second place the organic act had not made them Ameri-

ton "corral" of the military order of the Carabao, an organization originally formed in Manila by officers who had participated in the pacification of the islands during the insurrection. On this occasion a burlesque of the policies of the war and navy departments was staged in which various orders were held up to ridicule. Not only the Philippine matter but particularly several innovations inaugurated by Secretary Daniels were brought to attention. Mr. Daniels had instituted a number of changes calculated to improve the condition of enlisted men in the navy, and among other things had ordered the abolition of the wine mess of the officers that there might be no distinction in this regard between them and enlisted men.

can citizens, but "citizens of Porto Rico," a status not recognized in international law. Manifestations of this irritation had not been wanting, and frequently they had taken the form of obstructionist tactics in the legislative body or refusal to make appropriations to carry on the government. So troublesome did this become that in 1909 congress provided that if the local legislature did not pass appropriation measures the money for ordinary governmental necessities should become available without that action. President Wilson could and did remove the first cause of complaint in 1914 by giving Porto Ricans a majority in the executive council. The question of citizenship, however, had to wait for congressional action. In his first annual message the president brought up the matter, but, while a bill to effect the change was introduced, nothing was accomplished. When the sixty-fourth congress met the president again adverted to the matter. He connected the need of removing irritation in the island dependencies with the greater world problems when he said, "Our treatment of them and their attitude towards us are manifestly of the first consequence in the development of our duties. We must be free from every unnecessary burden or embarrassment; and there is no better way to be clear of embarrassment than to fulfill our promises and promote the interests of those dependent on us to the utmost." It was not until March 2, 1917, that a perfected measure was presented to the president for his signature. This bill followed the main lines already laid down in the Philippine law. Both principal causes of grievance were removed, for the executive council was abolished and in its place an elective senate of nineteen members was provided; American citizenship was conferred upon all those who had theretofore been known as citizens of Porto Rico. Suffrage was extended to all males twenty-one years of age who had previously been known as "the people of Porto Rico." A bill of rights comprising the customary guarantees of person and property made the organic act similar to an ordinary state constitution.

Already congress in the last session under President Taft had reorganized Alaska by an act which created a territorial government along traditional lines. Thus, by the close of the first Wilson administration, reorganization had touched most of the pending problems of a governmental nature as they affected the subordinate units belonging to the United States. Alaska and the Hawaiian Islands were fully organized territories with the delegates sitting in the United States house of representatives to voice the will of their constituencies. The Philippines and Porto Rico were partly organized, having local autonomy in as full measure as the organized territories, but represented in Washington by resident commissioners, two for the Philippines and one for Porto Rico, who established relations not with congress but with the department of state.

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CHAPTER XXIV

LATIN AMERICA AND THE MONROE DOCTRINE

The isthmian canal alone was enough to make any Washington administration keep close watch on events about the Caribbean Sea. If there had been no canal, however, the relations between the United States and its southern neighbors were bound to become closer as economic changes produced new contacts. Then there was the American policy summed up in the elastic Monroe Doctrine, a policy which had at its foundation the idea of self-protection. The doctrine was not viewed sympathetically by the people of South and Central America except occasionally when outside difficulties threatened. It was, on the contrary, usually looked upon as a mask to hide American schemes of aggrandizement. More than once there had been expressions of scarcely disguised fear and hostility about the powerful republic at the north. Misunderstandings were hard to remove when bars of language, cultural inheritance, political ideals and economic standards separated the northern and the southern groups. Latin American suspicion was felt and deprecated, especially after the war with Spain brought the United States into such intimate contact with countries about the Caribbean. During the administrations of Roosevelt and Taft special efforts were made to cultivate a better understanding; Secretary Root's trips to South America and Knox's to Central America were designed to allay suspicion and help furnish a basis for mutual enlightenment. President Wilson's words spoken in an address before the Southern Commercial Congress at Mobile in October, 1913, were calculated to have a conciliatory effect when he said: "I want to take this occasion to say that the United States will never again seek one additional foot of territory by conquest."

Central American Complications

The canal, however, appeared to make it imperative that at least in Central America affairs should go on in such a way as to prevent any opportunity for European countries to intervene to the extent of gaining control over governments. Ever since obtaining their independence from Spain, the Central American countries had been prey of the worst type of Latin American politics. Each had been subject to an alternation of anarchy and military tyranny, although by the opening of the twentieth century Costa Rica was beginning to show greater stability. In addition to internal dissention these republics were periodically embroiled with their neighbors over all kinds of disputes. In 1906, for example, Guatemala and Salvador became entangled in a controversy growing in part out of aid which certain Salvadoreans had given to a Guatemalan faction. Then Honduras was involved, and for a time there threatened to be a war which would bring in most of Central America. Under instructions from Secretary Root the ministers to these countries worked to establish a basis for peace and finally Mexico and the United States tendered their good offices, and from the mediation resulted a treaty of peace in July, 1906. This led to a conference at Washington in November, 1907, where delegates representing Mexico, the United States, and the six Central American republics drew up a convention whereby each state agreed not to recognize a government established by a *coup d'etat*, and promised not to interfere in each other's internal affairs. A Central American Court of Justice with jurisdiction over international disputes was created.

Nicaragua, from the beginning one of the most disorderly of these states, continued to pursue a policy, under the direction of its dictator Zelaya, which seemed to threaten Honduras. After two years of turmoil in October, 1909, an insurrection broke out in the Atlantic provinces in the course of which two Americans, who were suspected of being involved in local political intrigue, were executed. American war vessels were sent to Nicaraguan ports and in December the United States broke off diplomatic relations. Just after this the cruiser *Des Moines* prevented a clash between government and insurrectionary forces at Greytown. Meantime the revolt against Zelaya was succeeding and he fled to Mexico. The struggle, however, went on between the factions, bringing at least two attempts by the United States to compromise the matter and intervention to the extent of preventing a bombardment of Bluefields. After the flight of the leader of one faction a government was established which renewed diplomatic relations with the United States on January 1, 1911. From the beginning of 1911 to the middle of 1912 affairs in Nicaragua continued unsettled. By August, 1912, the situation was so delicate that the U. S. S. *California* was sent to Corinto, and soon marines were landed to protect American lives and property at the capital, Managua, and to patrol the railroad from there to Corinto. Finally a treaty was drafted which practically provided for an American guarantee of Nicaraguan finances, but it was rejected by the United States senate.

It was at this time that Secretary Knox carried to the countries of Central America his "dollar diplomacy" which virtually meant that the United States would facilitate the financial rehabilitation of countries in need of it, but that financial administration must be supervised by persons recommended by Washington. A new treaty was negotiated by which Nicaragua agreed not to cede a canal route to any other country. A naval base in Fonseca Bay was leased to the United States for $3,000,000. The United States agreed to guarantee the independence of Nicaragua and see that the lives and property of Americans and other foreigners were protected. These provisions were practically the same as those in the treaty with Panama and essentially embodied the principles of the Platt amendment. The treaty remained unratified until the Democratic administration came in. President Wilson adopted essentially the same policy as his predecessor, with less emphasis on "dollar diplomacy," and in February, 1916, a treaty without the Platt guarantee was ratified. Similar propositions were made to Honduras and Salvador, but neither of them accepted. This was due partly to fear of American domination, but in addition they, as well as Costa Rica, maintained that the Nicaragua treaty infringed their rights. Costa Rica and Salvador submitted the issue to the Central American court of justice, which, in 1921, decided that their contentions were valid, and that Nicaragua, as one of the signatories of the convention creating the court, was bound to accede to the view. Since the United States, while not a party to the treaty, had been sponsor to the pact, its ignoring of the court's decrees killed the usefulness of that agency and added to the suspicion of Latin America.

THE REPUBLICS OF HAITI

If political conditions in most of the Central American countries presented a travesty on orderly government, the situation on the island of Haiti was beyond description. The finances of the Dominican Republic had begun to straighten out under the arrangement of 1905, but it was not until 1911 that the Negro republic of Haiti drew serious attention. Then, in addition to the customary revolution, more than ordinary demonstrations against foreigners and concession holders occurred, and trouble with the Dominican Republic over a long disputed boundary was prevented from becoming acute through the submission of the question to arbitration at the earnest request of Washington. For the next three years the usual disorder prevailed, but in 1914 there came another serious situation. Rumors had reached the state department at Washington that for some time the German government had been sounding the Haitian administration on a proposition to lend it two million dollars in return for the control of the customs, rights in certain ports, and a coaling station at Mole St. Nicholas. All through the year revolutions prevailed and United States marines were landed several times to protect the lives of foreigners. In May, 1914, the British government served upon the Haitian administration an ultimatum to the effect than an indemnity for injury to British subjects must be paid at once. Nothing was done, so in June France and England made a formal demand for the control of the customs houses, and the German government, denying that steps had been taken to secure any special concessions, challenged the Monroe Doctrine by including in its statement these words:

> The German Government has joined with other European governments in representing to Washington that the interests of European countries in Haiti are so large that no scheme of reorganization or control can be regarded as acceptable unless it is undertaken under international auspices.

Such a challenge to the pretensions of the United States in affairs of the western hemisphere, however, indicated clearly that the time might come when general acquiesence would no longer exist. In December negotiations were started in order to bring about an arrangement with Haiti similar to that between the Dominican Republic and the United States. The knowledge that such propositions were being considered had something to do with fomenting a new revolution, which led to the landing of French marines, and this forced the hand of the American government. American marines replaced the French and by October Haiti was comparatively peaceful. The administration of the customs was assumed by the navy, and in September a treaty established what amounted to a receivership of the customs with provision for distribution of revenues between the creditors and the Haitian government itself, although the expenditure of government funds was to be supervised by Americans. A state constabulary, officered by Americans until Haitians could be trained to take their places, was organized. The treaty, of which the terms were limited to ten years, was ratified by the senate in 1916. While there was doubt in some quarters as to the real necessity for intervention in Haiti, there is little question that the maladroitness of Secretary Bryan with his tenderness for "deserving Democrats" precipitated a crisis in Dominican relations. Minister James M. Sullivan, by his meddling in politics even to the point of encouraging revolutionists, so bungled affairs that in August, 1914, an investigating commission was sent from the United States and found that an election, nominally under American supervision, had put in office a president who was at outs with the people and the congress, that the public debt had greatly increased, and that the republic was in a turmoil. Attempts to repair the mischief were fruitless, and in 1916 the Dominican Republic, like Haiti, was controlled by American marines, but the Dominicans would not commit themselves to a treaty of the Haitian kind.

THE CANAL TOLLS CONTROVERSY

The Canal itself raised an issue which involved more than the Caribbean world, In 1912, when its completion was within sight, congress passed an act for its administration. While shipping in general was to be charged a uniform rate, American coasting vessels were to be exempted from the payment of tolls. The British government protested that such an exemption was contrary to the terms of the Hay-Pauncefote treaty. When the Canal act was under consideration this point had been raised and some congressmen had maintained that the United States could exempt no class of American vessels without a violation of the compact. The majority, however, took the ground that coastwise shipping did not come under the general clause, and some of them asserted that, treaty or no treaty, American money had pushed the enterprise through and Americans could do as they would with their own. Both Republicans and Democrats in their national platforms of 1912 took the same stand, and, judging public sentiment by what appeared in the newspapers the greater part of American citizens approved the action of congress. Furthermore, it was known that many of those who favored the exemption were animated by anti-British feeling: Senator O'Gorman of New York, who had framed the plank for the Democratic platform, was a recognized leader of anti-British propaganda in America. Then, too, in the course of the campaign, Mr. Wilson himself had spoken in a way which indicated that he was not opposed to the exemption.

After he was president, however, Wilson became convinced that the exemption was a violation both of the letter and spirit of the treaty and ought to be repealed. In July, 1913, Colonel House, the president's closest adviser, visited England, and one of his principal errands was to take a message to Ambassador Page on the subject of the tolls. He talked the matter over with Sir Edward Grey, the British minister for foreign affairs, and it was agreed that the British government should let the president take the lead, for, as House pointed out, if British criticism of the act continued it would make it more difficult for the president to bring about the repeal, for there would be a cry of yielding to English domination. It was not until the fifth of March, 1914, that Mr. Wilson felt that the time had come to move. He went to congress and urged the repeal of the exemption clause as a "plain contravention" of the treaty. "I ask this of you in support of the foreign policy of the Administration," he said. "I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure."[1] Congress granted the president's request, although in the light of many months' acrimonious debate that it was "ungrudgingly" accorded may be open to question. Party lines were forgotten in the struggle for one of the most outspoken opponents of repeal was Senator Hoke Smith of Georgia, a Democrat, while Elihu Root strongly urged that the measure be passed. O'Gorman, who was chairman of the senate committee on oceanic canals, led the fight against the repeal.

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[1] Burton Hendrick, in his *Life and Letters of Walter H. Page*, I, 269, says:. . . "Up to the present moment this passage in the Presidential message had been unexplained, Page's papers, however, disclose what seems to be a satisfactory solution of the mystery. They show that the President and Colonel House and Page were at this time engaged in a negotiation of the utmost importance. At the very time that the tolls bill was under discussion

Purchase of the Danish Islands

During the course of the European war the question of buying the Danish West Indies came up again. Denmark appeared willing to sell, and the United States, for diplomatic and strategic reasons, was willing to buy and even to pay a much higher price than had been under consideration in the earlier negotiations. Consequently in 1916 for a consideration of $25,000,000 and with the approval of the inhabitants the three islands were transferred to American control, and incidentally an important passage into the Caribbean came to have the American flag on both sides. It was recognized that neither the economic importance nor the natural resources of these bits of land justified either the purchase price or the cost of maintenance. But empire in the Caribbean entailed responsibilities as well as privileges, and one of the responsibilities seemed to be taking stray parcels of territory off the hands of any European power which desired to dispose of them, for a transfer to another European nation would not be countenanced for a moment.

As the European struggle drew nearer the United States there came another old issue which had been pending since President Roosevelt had "taken" the Canal Zone. The United States of Colombia cherished a grievance and diplomatic relations with the United States had been broken. By 1909 the tension had been relieved so that three treaties, between Colombia and Panama, Panama and the United States, and the

Colonel House was making arrangements for a visit to Great Britain, France and Germany, the purpose of which was to bring these nations to some kind of an understanding that would prevent a European war. This evidently was the great business that could not be disclosed at the time and for which the repeal of the tolls legislation was the necessary preliminary."

United States and Colombia, were drawn up. At the last moment the existing Colombian government refused to ratify the agreement for fear that popular fury would be so intense that it would not be able to stand. Negotiations, however, were resumed, and progress on another agreement was being made when the Taft administration gave place to its successor. The work was carried on by Secretary Bryan and on April 7, 1914, he signed an agreement in which there was an expression of regret that cordial relations between the two countries had been interrupted and promises for a monetary payment to Colombia. In the United States senate it encountered bitter opposition on the ground that such an arrangement was a practical admission that the action of the United States in 1903 was unjustifiable. Ex-President Roosevelt used all his influence to prevent its ratification. On account of the opposition, the treaty was rewritten so that it contained a mutual expression of regret over the disturbed relations although it continued to carry provision for a payment of $25,000,000 to Colombia. This new pact was submitted to the senate in 1916 and no action had come when that congress came to an end on March 4, 1917. By this time the European situation was such that war with Germany was believed inevitable, consequently, in the special session of congress called later in March the treaty was submitted again. Just as before the president could not obtain the necessary two-thirds vote, so all through the rest of the World War the United States had to face the consequences of ill feeling in Colombia. In 1921, after a change in administration, practically the same treaty was ratified and at last the United States of Colombia felt that it had been partially, at least, compensated for the loss.

The Mexican Tangle

President Wilson inherited one problem which both in its immediate bearings and its general relation to the whole matter of Latin American policy overshadowed those which came from either the West Indies or the little countries of Central America. Mexico not only was contiguous to the United States with a common boundary of over 1500 miles and a joint user of the Gulf of Mexico, but economically was an exception to the rule which obtained for Latin American countries as a whole; the United States was the most extensive market for her products and furnished her with more imports than did any other nation. With small development of her manufactures Mexico figured principally as a land furnishing certain tropical and semi-tropical agricultural products,—coffee, sisal, rubber, vanilla and chicle,—and metals of which silver and copper were the most important. In 1903 a production of 75,375 barrels of petroleum was reported; in 1910 it was 3,634,080 barrels. From that date the oil production increased enormously, rising to 55,292,770 barrels in 1917, and 156,062,707 barrels in 1920, making Mexico the third oil producing country of the world. All these enterprises called for large amounts of capital which had to be drawn from investors abroad. Hence Mexico was irresistibly brought into the sweep of modern economic currents and could not, had its people desired, maintain an aloofness from international affairs.

For over a generation Mexico had been ranked among the more stable Latin American states. Porfirio Diaz had been president continuously from 1880, and, exercising the powers of a dictator, had made his country solvent and generally respected among nations. Repression of internal disorder encouraged the investment of foreign capital in mines, plantations, factories and oil fields, and all this, in turn, had produced revenues enabling the government to undertake extensive public improvements. Beneath the superficial order and prosperity, however, were economic and political ills which had not been touched. Land was owned by a very small group and the peasantry existed in a state of peonage or, at best, little removed from it. Taxation bore heavily on those least able to bear it. Political opponents of Diaz were ruthlessly repressed. In opening the land to economic exploitation Diaz had brought about the practical extermination of Indian tribes like the Yaqui of the plateau region when they attempted to resist encroachment. Withal Diaz had steered an astute course with foreign nations, especially the United States, by yielding nothing which would appear to compromise Mexico's honor yet avoiding giving offense which might bring retaliation. Difficulties, arising from occasional raids across the border into the United States or from the Pius fund of the Californias, had been handled in a way which left no rankling.

In September, 1910, the hundredth anniversary of Mexico's independence was celebrated. It was made a notable occasion with a mission from Spain to express the reconciliation between mother and daughter, and not only a special American envoy but delegations from both houses of congress to bear the felicitations of the United States. Much was made of the progress under Diaz who had just been re-elected president. Two months later a revolution broke out in the northern states under the leadership of Francisco I. Madero. There were rumors that in part this outbreak came from the fact that Diaz was alarmed at the foothold American economic interests had obtained and was adopting a policy of encouraging English capital, especially in the oil country around Tampico, to offset American influence. In December, when Diaz was inaugurated for the seventh time, the revolt was said to be "practically suppressed." Before the end of January, however, it was obvious that the report was premature, for the revolution was making progress especially in the North where liberal sentiments had always been more pronounced than elsewhere in Mexico. Since most of the fighting occurred near the border, detachments of the regular army of the United States were stationed at various points near the Rio Grande. Between January and April the revolt spread south and to counteract Madero's promises for reforms, particularly in the land system, men like Reyes, who had been sent into exile by Diaz, were recalled and given prominent positions, while the minister to the United States, De la Barra, was brought back as secretary for foreign affairs.

In the meantime American forces along the border had been increased to some 20,000 and war vessels were stationed at Galveston. This "mobilization," as it was characterized by the Mexicans, called forth a protest. A warning to conduct hostilities farther from the border brought a charge of "intervention" and interference in the domestic affairs of Mexico. After abortive peace conferences between the factions Diaz resigned and De la Barra was made president *ad interim*. A few days later Diaz left Vera Cruz for Spain. In June, 1912, Madero was elected president although not until July was the new régime generally recognized throughout Mexico.

Internal dissentions again appeared. Reyes tried to raise a force against the new president but was defeated and captured. The activities of Zapata who led a bandit force against the followers of Madero brought another warning from Washington that the struggle ought to be farther removed from the Rio Grande. The Maderist governor of Chihuahua turned against his chief, and by September some seventeen states were affected by the new revolt which had as one of its leaders General Felix Diaz, a nephew of the former president. Diaz captured Vera Cruz but it was retaken and Diaz himself captured. Early in February, 1913, there was a rising in Mexico City and many Maderist leaders went over to the insurrectionists. Among these were General Blanquet and General Victoriano Huerta, Madero's cammander-in-chief. Madero and several of his associates were captured and on February 19 Huerta was designated "provisional president." Four days later Madero was killed because, it was alleged, he tried to escape when being transferred from one prison to another.

President Wilson and Mexico

Such was the situation when President Wilson assumed office in March, 1913. Huerta, with Diaz and Blanquet as real though unobtrusive backers, represented the government of Mexico so far as there was any, but within a short time there was a break between Huerta and Diaz, and the latter found it advisable to leave Mexico and take refuge in Habana. In the North the *Constitutionalistas* under Venustiano Carranza, governor of Coahuila, were driving out the Huertista forces. The immediate question for Washington was the recognition of Huerta. H. L. Wilson, the ambassador appointed by Taft to Mexico, recommended it and, when he found the new administration was not inclined to follow his advice, resigned his position. The president sent William Bayard Hale as a personal representative to Mexico to report on conditions, and appointed John Lind of Minnesota, a strong supporter of Bryan, a special envoy to urge a cessation of the fighting, an early and free election at which

Huerta should not be a candidate, and an agreement that all parties would abide by the result.

On August 27 the president outlined the situation to congress which was ready to take vigorous action. Senator Fall of New Mexico introduced a resolution calling on the administration to protect American citizens, and congress as a whole appropriated $100,000 to aid United States citizens to return home. Huerta held a farcial election on October 26 at which votes were cast only by his supporters and against which the *Constitutionalistas* protested. By this time the Huerta government had been recognized by Great Britain, although Premier Asquith announced that his government had no intention to intervene, and the presence of German, French, Japanese and British war vessels in Mexican waters caused much uneasiness in the United States. Further demands from Lind and from the American chargé were without result and in November the Mexican congress met, stated that it had been constitutionally chosen, and, while announcing that Huerta's election was not valid, authorized him to act as president *ad interim.*

When the United States congress met in December the president declared that there could be "no certain prospect of peace in America until General Huerta has surrendered his usurped authority in Mexico; until it is understood on all hands, indeed, that such pretended authority will not be countenanced or dealt with by the Government of the United States." Opinion sharply divided on the president's policy of refusing to recognize a government which had established itself by force. Most of those who had a material interest in the maintenance of order were anxious for a speedy restoration of peace so that "business as usual" might be carried on. On the other hand there were many who saw, as the president did, that intervention would mean a long struggle against a probably united Mexican people, and believed with him that there were certain moral objections in advancing the fortunes of a government which was so obviously unpopular in a large part of Mexico. Not very much of the latter sentiment, however, appeared in the newspapers where the influence of the other faction seemed to predominate.

Huerta's financial situation was growing desperate. The Constitutionalists were steadily winning the North and were penetrating the central states. The region about Mexico City was being terrorized by the bandit Zapata, and the military operations of Obregon in Sinaloa, Villa in Chihuahua, Blanco in Tamaulipas, Aguilar in Vera Cruz and Sanchez in Michoacan were gradually sapping the Huerta strength. In December, 1913, the Constitutionalists threatened to attack Tampico, the center of the oil region, and Admiral Fletcher was ordered to prevent any fighting there. Early in 1914 the American government raised the embargo on the shipment of munitions into Mexico, imposed by the Taft administration, and thus materially aided the opponents of Huerta.

The Tampico Affair

On April 9, 1914, at Tampico a group of marines from Admiral Fletcher's squadron was arrested by Huerta authorities. They were released by the local commandant who apologized for the incident, but Admiral Mayo, at the moment in immediate command, demanded a salute to the American flag which Huerta refused. Then, on April 13, Mr. Lind arrived in Washington to report the failure of his mission. Five days later President Wilson caused an ultimatum to be sent to Huerta, calling for a salute at a stated hour the next day, and at the same time asked from congress authority to use the armed forces of the United States to obtain compliance if it should be necessary. Meantime the port of Vera Cruz was taken by marines to prevent the landing of a cargo of munitions from the German steamer *Ypiranga*,[1] and on April 30 the army took control. This action brought protests not only from Huerta but from Carranza. Just before this the representatives of Argentine, Brazil and Chile, the "A. B. C." powers, tendered the good offices of their governments to aid in clearing the situation. President Wilson and Huerta accepted the proposal, but Carranza refused to be bound by any arrangement made. On April 20 representatives of the four governments, a Huertista delegation, and, later, envoys from Carranza met at Niagara Falls, in Ontario. In June an agreement was reached by which there was to be established a government in which both

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[1] The *Ypiranga* actually did land its cargo at another port so that the immediate purpose of taking Vera Cruz was not accomplished.

Huertistas and Constitutionalists should share; the United States would exact no indemnity for the Tampico episode and would recognize the provisional government if foreigners were pardoned and their claims submitted to a commission. The Carranza delegates announced that the whole matter must be submitted to the Constitutionalist leaders who insisted upon an unconditional surrender of the Huerta forces, consequently the whole program fell to the ground.

Fighting continued between the factions and in the middle of July Huerta resigned in favor of Carbajal and fled to Spain. Carbajal proposed a general amnesty with protection of lives and property, but Carranza would not agree and again the contest was continued until August 15 when Mexico City surrendered to the Constitutionalist army. Hardly had the Constitutionalists obtained possession of the capital city when Carranza found himself facing an uprising under Pancho Villa, new activities of Zapata, and disaffection in his own army. Vera Cruz had in the meantime remained in the hands of the American army. On November 13 Secretary Bryan announced that as both factions had agreed not to assess taxes already collected during the occupation and would guarantee the safety of the people in Vera Cruz, the United States forces would be withdrawn, and ten days later the city was turned over to Mexicans. The following day, November 24, Carranza left Mexico City, where he was being hard pressed by Zapata, and established his government in Vera Cruz. For the next six months the three-sided contest went on.

The Six–Power Conference

In June the American state department gave notice that the various factions must compose their differences, and invited the A. B. C. powers and Bolivia, Uruguay and Guatemala to send delegates to a six-power conference at Annapolis to formulate a working plan for Mexico. Carranza, as he had in the case of the Niagara Falls conference, let it be known that he would recognize no action or participate in no parleys which would tend to thwart the Constitutionalist party. Meanwhile he exerted every effort to defeat the Villistas and the Zapatistas. Success appeared to be crowning these efforts, for in October Carranza was back in the capital. Thereupon the conference recommended the recognition of the Carranza government and the imposition of an embargo on the shipment of munitions to the revolutionists. President Wilson accepted these recommendations, and on December 9 Señor Arredondo appeared in Washington as the accredited ambassador of Mexico. The president appointed Henry P. Fletcher to represent the United States in Mexico City, and the senate ratified the nomination. Thus diplomatic relations were renewed after an interim of some two and half years.

During these years of "watchful waiting," as the president called it, the administration was subjected to much criticism. Judging from newspapers and from discussion in congress the overwhelming desire of the people of the United States was for intervention. Even in his own cabinet the president found a faction headed by Secretary of War Garrison as eager for a more vigorous course as the groups in congress and in the country at large. In the face of all this pressure Mr. Wilson persisted in his notion that the Mexican people must be allowed to settle their own differences, that in no other way could come real pacification with promise for peaceful development in the future.

Pershing's Pursuit of Villa

On the ninth of March, 1916, a new complication was produced by an attack on Columbus, New Mexico, by Villa forces. Carranza's proposition to revive an arrangement of 1882, whereby mutual right to send punitive expeditions across the border was recognized, was accepted, and on the fifteenth of March a contingent of 12,000 of the regular army under the command of General John Pershing was despatched to capture Villa. At the same time an embargo was placed upon the exportation of arms to any not actually supporting the *de facto* government. Hardly had the Pershing force entered Mexican territory when Carranza began to interpose obstacles. On the thirteenth of April Carranza asserted that as Villa had not been captured and the trail had grown cold it was time to make definite arrangements for the withdrawal of Pershing. The Washington administration could not agree whereupon Carranza recalled Arredondo. War appeared imminent.

A conference, however, was arranged between Generals Scott and Funston representing the United States and General Obregon representing the Constitutionalist government, and on May 5 a memorandum was formulated. This note stated that as the original raiding band had been broken up, and the Americans were engaged in the pursuit of small bands which Carranza's forces could probably handle, there should be a gradual withdrawal of the Americans. Carranza, however, insisted upon an immediate and complete retirement. Right at this juncture came a raid upon Glenn Springs, Texas, and another force was sent 160 miles into Mexican territory without, however, affecting the capture of the raiders. Just before this expedition returned, on May 20, Carranza made a peremptory demand for the withdrawal of all Americans, which was answered by a note regretting and refusing the request. At the same time the governments of the other Latin-American countries were informed that it was not the intention of the United States government to intervene in Mexican internal affairs beyond maintaining order along the international boundary.

On the sixteenth of June the Mexican general, Trevino, was ordered not to allow the Pershing force to advance either south, east, or west, and to resist any new invasions of Americans. On June 18 the president called upon the states for militia to serve on the border in order to release the regular army from patrol duty. Two days later came the news that a small detachment of Pershing's punitive force had been attacked at Carrizal, and some of the men had been killed and the rest captured. On June 26, after the state department had been notified by the Mexican confidential agent of what had taken place, there was a demand for release of the troopers and also for a definite statement of what the Mexican government proposed to do. The soldiers were released and returned, and a few days later it was intimated that Carranza would take up a discussion of the whole situation.

A commission was appointed which, after encountering numberless difficulties, on November 24 arrived at an agreement to be submitted to Carranza. This protocol provided for the withdrawal of Pershing's force within forty days, the United States retaining the right to send expeditions into Mexico to capture bandits who committed depredations on the American side, while each country was to patrol the border to maintain peace. Meantime a Mexican convention drew up a new constitution with one provision which appeared to threaten rights held by foreigners, particularly in mining and oil regions. Carranza continued to withhold his approval of the protocol not so much, apparently, because he objected to its provisions, as to the fact that the *dignidad* of Mexico was compromised by compliance. Finally, with a definite acceptance on the part of Mexico, Pershing was ordered to begin his return, but as the United States regulars withdrew it was Villa and not Carranza forces which replaced them. Nevertheless, in Mexico as a whole, the Constitutionalists were slowly crushing opposition, and order, at least more order than the country had known for years, was reappearing. In February Ambassador Fletcher again presented his credentials to the secretary of foreign affairs in Mexico City and diplomatic relations were resumed.

President Wilson was accused of failing to insist on the verbal terms of the protocol; he was charged with vacillating and knuckling to the Mexican leader. But Mexico was fast retiring from the center of the American diplomatic stage to give place to another and more momentous issue, and in the revelations of the first months of 1917 the public became convinced that, however much the methods of President Wilson were to be criticized, it was highly important that the United States should not be entangled in a long struggle with Mexico at that moment. On February 12 Carranza astounded the world by addressing both the United States and other neutral powers with a proposition that neutral nations should unite to request that the European struggle be stopped by direct negotiations between the belligerents or through friendly mediation of neutrals; if the proposition were not accepted, Carranza suggested an embargo on all articles useful for the prosecution of the war as a means of forcing a cessation of the hostilities. Immediately this was taken as a rather clumsy *coup* of the German government which had all along maintained a most active propaganda in Mexico. Less than a month after this came the publication by the American government of an intercepted letter in which the German government proposed to Mexico that it join in the struggle, promising the restoration of Texas and the old province of New Mexico as a reward. The same communication also suggested Japan's defection from the Allies, in repayment for which California might be obtained from the United States. The Mexican and the Japanese governments denied having had such propositions from Germany, and it is probable that the Carranza government never contemplated any such alliance, although it is conceivable that informal interviews may have impressed the First Chief with the significance of some such gesture as a weapon to secure freedom from intervention.

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CHAPTER XXV

THE TRIALS OF A NEUTRAL

Minor issues in the Caribbean and the Gulf were gradually pushed into the background by the world war which flared up in the middle of the summer of 1914. The torch was lighted from the ever smouldering fire in the Balkans, the age-long trouble spot of European politics, but behind it was the clash of economic interests which found the world too small, the nationalist aspirations of many peoples, and militarism. In the United States at the beginning probably a majority of the people looked upon the whole thing as but another remote European quarrel which concerned America but little. President Wilson issued a proclamation on August 4 notifying Americans of a state of war and warning them that participation in the struggle on either side would result in forfeiting any protection from the government of the United States. Only a short time elapsed before American public opinion began to take sides. The stories of the conduct of the war in Belgium, and the destruction of places like Liège and Louvain with its famous library, together with the panic which was produced in the economic situation, brought sympathy for Belgium, although many were inclined to condone the invasion as a necessity of war. On the eighteenth of August President Wilson issued an appeal to Americans to "act and speak in the true spirit of neutrality which is the spirit of impartiality and fairness and friendliness to all concerned." He pointed out that the people of the United States were "drawn from many nations, and chiefly from the nations now at war," and that it was "natural and inevitable that there should be the utmost variety of sympathy and desire among them with regard to the issues and circumstances of the conflict. . . . The United States must be neutral in fact as well as neutral in name."

American Sentiment and the European War

Soon it was seen how difficult was the maintenance of a neutrality of spirit among the American people. The stories of the thousands who were stranded in Europe by the opening of hostilities, and for whose relief and return a war vessel with a supply of American gold was sent to England; the tales of the sufferings of the Belgians who were dispossessed of their homes and subjected to the rigors of war; the rapid advance of the Germans upon Paris until checked by the forces under General Joffre at the first battle of the Marne; the work of the American minister at Brussels, Brand Whitlock; all these brought home the fact that here was a struggle different in its magnitude and in its far reaching effects from any that had taken place before. While as yet few were able to realize that the war was in its essential nature any different from earlier European contests, the very fact that in the United States were millions of people connected by blood relationship and sentimental and economic ties with one or the other of the belligerents caused them to be passively or actively partisan in their views. The war, too, interfered materially with the ordinary course of economic exchange and deranged many settled businesses. The sudden cutting off of most of the direct trade with Germany closed a market to raw materials like cotton. Manufactured articles, such as chemicals, dye stuffs, scientific apparatus and many other things, became scarce and textile and other industries suffered. The sudden turning of people from peace time occupations to those which contributed directly to the production of war materials depressed some lines of work and stimulated others enormously. The nerve of the pocket book as well as that of the sensibilities was hit hard.

It was difficult to get exact and unbiased information of what was taking place. England controlled the trans-Atlantic cables and naturally the news which got into the papers was colored by the source; men read their morning newspapers and knew not whether the stories were true or garbled accounts of actual events. The wildest sort of yarns were spread. *Propaganda* became a household word. In New York the *Fatherland* was established, a weekly newspaper edited by Viereck in the direct interest of the Central Powers and calculated to offset English and French influence which predominated in most of the papers of the country. Each one of the belligerents exerted itself to sway public opinion in the United States. On the whole, however, it was German propaganda which attracted greatest attention, not only from its extent but also from the obviousness of its use. In such papers as the *Fatherland* every effort was made to play up the "perfidy" of Albion, the "traditional" enemy of the United States and of mankind in general; stories were printed to appeal to anti-British groups which included not only a considerable portion of the some nine millions of persons either born in Germany or with one or both parents born there, but those of Irish extraction who could see no good in anything done by the English. The latter group, organized in part as the American Truth Society, had already been active before the outbreak of the war to prevent a better understanding between England and the United States presaged by the events connected with the proposed celebration of the hundred years of peace between the two nations.

Taken as a whole, however, this propaganda failed to make any real impression upon the mass of Americans until the actions of the belligerents began to affect numerous groups adversely. Most people approved the president's offer of mediation which was first tendered in August upon the outbreak of hostilities, and again in September when the Germans were stopped in their advance on Paris. The offer produced no result, and the members of the *Entente* announced an intention not to conclude peace separately. In common with most Americans the president during the earlier part of the war believed that in large measure the motives were very similar on both sides, that the quarrel was none of America's. Moreover, he desired, like McKinley, to carry through a peace program concerned for the most part with internal problems and did not wish complications of an international nature. A man of peace, he believed that the destiny of his country was to lead the world along paths of peaceful advance.

A Neutral's Problems

The English and French command of the sea placed the *Entente* in a favored position with regard to the commerce of the world and with this advantage the *Entente* determined to cut off from Germany outside supplies which were becoming more needed as time went on. In September and again in October Orders in Council announced the British intention of preventing contraband goods from getting into Germany through neutrals like Holland or the Scandinavian nations. Immediately the American state department began to be flooded with complaints of seizures of goods ostensibly destined for neutrals but which the British insisted were either to be forwarded to Germany or to replace materials which could be sold. On October 21 and again on December 26 the state department sent protests to the British government against the interference with neutral trade. While many Americans believed that the British were not only unduly restricting the activities of neutrals but checking trade in every direction possible, in one respect, at least until August 1915, Sir Edward Grey, the minister for foreign affairs, held his associates in the leash. Although cotton was used not alone for peaceful purposes but was a main constituent in the manufacture of modern explosives, Sir Edward resisted all efforts to place it on the contraband list, because he not only realized that the 1914 crop had been raised with the expectation of the ordinary market, but that to close this market in part by making it contraband would give anti-British advocates in the United States a new weapon to wield for the benefit of Germany.

Another advantage accruing to the *Entente* from the British control of the sea was that deficiencies in munitions and other supplies could be made up by purchases abroad, and chiefly in the United States, and transported in comparative safety to France, or to England. This fact was the basis of a new turn taken by German propaganda in the United States during the winter of 1914–1915. A former colonial secretary, Dr. Bernhard Dernburg, who was in charge of the German publicity in America, sought to concentrate sentiment for action by congress to place an embargo upon the export of munitions. Various organizations began to bombard Washington with memorials and petitions, and a number of members of both houses, including the chairman of the senate committee on foreign relations, William J. Stone of Missouri, thought favorably of the proposal. The president, however, took the ground that rules could not be changed for the advantage of one contestant while the struggle was on, and set his face resolutely against any action which would be clearly a violation of American neutrality. Nevertheless there were many who insisted that so long as England and France could get munitions and Germany could not, it was the duty of the United States to put them on a par.

Submarine Warfare

Failing to stop the export of war materials and in order to offset the British blockade, the German government, on February 4, 1915, gave notice that after February 18 every merchant vessel belonging to the enemy would be sunk by submarines if found in the waters about the British Isles, and neutral vessels were warned of the danger of venturing there. Such a warning brought from the state department on February 10 a repudiation of the doctrine and a declaration that search of a suspected vessel and putting crew and passengers in places of safety must precede sinking. Any departure from the accepted conduct of such affairs would "be hard to reconcile with friendly relations" existing between Germany and the United States. Just before the announcement of Germany's intention to use the submarine against merchant vessels, anticipating possible serious complications in which the United States might be involved, Colonel Edward M. House, the president's confidant, was sent to Europe to sound out the situation. In part this move was stimulated by indications that the German government would be willing to listen to peace propositions on the basis of the restoration of Belgium and payment for damage inflicted there. Early in February Colonel House reached London and found that the British government was prepared to discuss peace at any time provided the discussions would lead to something more than a mere re-establishment of the *status quo ante*. From England Colonel House went to Berlin where he learned that the German government was unwilling to lose any of the advantages which had been so far gained, and nothing could move it to abandon its proposed submarine warfare against merchant vessels if the war continued.

THE *LUSITANIA*

In March a test of the whole matter was precipitated by the torpedoing of the British merchantman, *Falaba*, and the drowning of an American citizen who happened to be on board. A little later an American vessel was attacked by an airplane, and on the first of May the *Cushing*, also of American registry, was sunk and two Americans killed. Before definite action was taken, these minor incidents paled before the sinking of a British liner, the *Lusitania*, on which Americans had been warned not to sail by an advertisement appearing in New York papers. No particular attention had been paid to the notice, so when news came that on the 7th of May the *Lusitania* had been sunk off the coast of Ireland with the loss of more than eleven hundred persons, including one hundred and twenty-four Americans, public wrath flared up. Realization at last was brought home that this was no ordinary war and that the United States, whether or no, was involved in it. There can be no doubt that had the president utilized the event congress would have declared war forthwith; a war of revenge and anger.

Mr. Wilson took the ground that this was no time for precipitate action; not only was there still in the United States a large body of people, who, when they cooled off, would be disinclined to participate heartily in a struggle, but from the point of view of readiness to take on such a contest there was not the necessary material preparation. Moreover the president sensed the lukewarmness of the people in the West as contrasted with the fever heat of easterners. On the thirteenth of May, accordingly, there was issued, nominally from Secretary Bryan, the first *Lusitania* note containing a strong expression of absolute repudiation of the doctrine under which the act took place, and ending with this paragraph: "The Imperial German Government will not expect the Government of the United States to omit any word or any act necessary to the performance of its sacred duty of maintaining the rights of the United States and its citizens and of safeguarding their free exercise and enjoyment." Three days before the president, speaking to a group of newly naturalized citizens, said in the course of his remarks, "The example of America must be a special example. The example of America must be the example not merely of peace because it will not fight, but of peace because peace is the healing and elevating influence of the world and strife is not. There is such a thing as a man being too proud to fight. There is such a thing as a nation being so proud that it does not need to convince others by force that it is right." Linked with the *Lusitania* note, the phrase "too proud to fight" was caught up and featured in the headlines of newspapers. Torn out of its context, a minor remark, it was made to stand for what the president thought and felt. It was, it is true, an unfortunate expression because few would consider it in its setting, and it served to make the support of the moderates of the northeast grudging in their backing of a policy which in the main they approved.

The German reply to the first *Lusitania* note was unsatisfactory and it was not until September, and after several other notes had been sent, that Berlin promised that "liners will not be sunk by our submarines without warning and without safety of the lives of non-combatants, provided that the liners do not try to escape or offer resistance." Even this pledge was not so clear-cut as it seemed for a question arose as to whether tramp steamers were to be classed as "liners." Moreover, during the summer there were other sinkings or attacks for the purpose of sinking. The president continued to be subjected to ridicule and attack in newspapers and in congress. Nevertheless it is now obvious that he gauged more accurately than most of his critics the temper of the American people; he realized that the mass of population in the middle west and on the Pacific coast, once the first indignation over the *Lusitania* sinking had died down, would not be behind him if he took the steps which would bring America into the war. Furthermore, as the real significance of the struggle sank into the president's mind, he became the more determined that if America did have to participate it should be from another motive than mere revenge. Out of the *Lusitania* correspondence came a break between the president and the secretary of state. Bryan believed the tone of the notes too strong and might make a peaceable solution impossible, and he resigned. A year earlier this would have been disastrous for Wilson's program, but now the president was no longer dependent on his backing for he had taken a position of unquestioned leadership in the ranks of the Democratic party. Robert Lansing, previously counsellor in the department of state, was made the new secretary.

ECONOMIC EFFECTS IN THE UNITED STATES

While all of these entanglements from the war had been causing the administration an anxious time, interesting developments had taken place in the United States. The outbreak of the war had totally unsettled the economic situation and the winter of 1914–15 had been one of depression and suffering. But as the war went on it stimulated industry. Russian, English and French contracts for the manufacture of munitions and other commodities brought a revival. Prices began to soar, wages went up and fortunate speculators as well as legitimate manufacturers piled up their earnings and millionaires were made over night. Securities and gold flowed in to pay for the purchases and before the end of 1915 the United States instead of being a debtor nation had become the greatest creditor country of the world. The influx of wealth created a spirit of extravagance and lavishness unparallelled in the history of the country.

The war deranged the ordinary routes of traffic. All available vessels of the *Entente* were drawn into serving the immediate needs of the war, and the German merchant marine which had played no inconsiderable part in the carrying trade of the world was swept from the seas. To help remedy the situation for America congress enacted three laws at the instigation of the president. Foreign built vessels were admitted to registry; the government provided for selling war risk insurance under the direction of a newly created Federal Bureau; and, to meet the deficit in revenue brought by decrease of imports, there was imposed a special internal tax to become operative after December 31, 1915. A proposal to appropriate funds for the purchase of vessels was not carried through on the alleged ground that the government ought not to enter the carrying trade in opposition to private concerns. Quite as potent, probably, was a hint from the British government that purchase of interned German vessels in American ports would be opposed as unneutral since the money paid would be spent for supplies purchased in America.

While American goods of certain kinds found their market in Europe closed another opened in South America, for Germany and England could neither furnish nor carry goods to their old customers. At first American exporters suffered with the others, for the South American trade dropped from $146,147,993 in 1913 to $99,323,957 in 1914, but by 1917, when more American ships were available, the South American trade rose to a total of $259,559,458.

Armed Merchantmen

The issue apparently settled by the *Lusitania* pledge of September 1, 1915, arose again on September 4 when an American citizen was drowned with the sinking of the *Hesperian*, and in November an Austrian submarine torpedoed the *Ancona* in the Mediterranean and two Americans were lost. In both cases there were disavowals, but faith in the promises of the Central Powers was steadily weakening. To attempt a defense against the submarines the British government authorized the arming of merchant vessels, whereupon, in February, 1916, the German government announced that such craft, as auxiliary cruisers, would be sunk without warning. Just before this Secretary Lansing, on January 18, had suggested that the Allies cease to arm such ships in order that there might be no excuse for Germany's not giving a binding pledge not to depart from the recognized rules of war in attacking merchantmen. However, on February 10 the president announced that the rules could not be changed during the struggle and that whether armed or not he would hold the German government responsible for sinkings in violation of the *Lusitania* promise, if Americans were affected. Another turn to the affair came with the introduction in congress of resolutions warning Americans not to sail on armed vessels, or forfeit the protection of their government. A formidable support for this proposition at once appeared. The president, however, in a letter to Senator Stone, who had joined in the suggestion, rejected the proposition, and insisted that there should be a square-cut vote on the issue. While in the senate the outcome was uncertain the house rejected the McLemore resolutions by a vote of 276 to 142.

Scarcely had the McLemore resolutions been defeated when the submarine controversy was brought up again when on March 24 an unarmed British Channel steamer carrying no troops was sunk by a submarine with no warning, causing the death or injury of some eighty persons, among whom were a few Americans. No action was taken by the administration until the German government had been given time to explain the apparent violation of the pledge given in September. Then, on April 19, the president went before congress to read the note which had been prepared for Germany. It amounted to an ultimatum and stated that "unless the Imperial German Government should now immediately declare and effect an abandonment of its present methods of warfare against passenger and freight carrying vessels this Government can have no choice but to sever diplomatic relations with the Government of the German Empire altogether." This sentiment was in harmony with what the president had been saying upon several occasions since the first of the year. No longer was there lacking a note of warning that circumstances might force the United States to abandon her neutrality, but along with this was the statement that if the country were drawn into the war it must be as a champion of the rights of mankind generally. The sharpness of the *Sussex* note was felt in Berlin, and on May 4, 1916, came an answer in which the German government notified the United States that the German navy had received orders not to sink vessels without warning and without saving human lives, unless they attempted to escape or offer resistance.

Plots and Rumors of Plots

While the submarine controversy was in progress there had been no cessation of German efforts to influence public opinion. During 1915 there was a surprising number of disasters in manufacturing plants working on contracts for the *Entente* powers, and while suspicion carried the trail to the German and Austrian embassies it was long before any definite evidence could be obtained to substantiate the rumors. However, in August there was found on an American citizen, who was on his way to Vienna by the way of Holland, a letter from the Austrian ambassador, Dr. Constantine Dumba, in which he outlined plans for tying up American munition plants. This letter was considered a sufficient reason for asking the recall of Mr. Dumba, and it was not long before he was on his way back to Europe. While some success attended attempts to foment labor disturbances a check was administered when evidence was collected to show that certain leaders were bribed to encourage them and several were indicted for conspiring to interfere with foreign commerce. Among them was Franz von Rintelen, at the time under arrest in England as a spy. In several of the bomb outrages, and other attempts to discourage American production of materials for the *Entente*, suspicion had pointed to the military and naval attachés of the German embassy, Captain Franz von Papen and Captain Karl Boy-ed. While no definite evidence was obtainable the administration felt that there was ground for asking their recall. Not long after von Papen's office in New York was raided on information obtained from the confession of a spy in England, and papers were found which specifically implicated them.

The Presidential Campaign of 1916

In the midst of these plots and while the submarine controversy was at its height the preliminaries of the 1916 presidential campaign were staged. Before the close of 1915 President Wilson's position as the real leader of his party had pointed to him as the undoubted choice of the Democrats. Among Republicans, however, the situation was complicated. The breach between the regular Republicans and the Progressives had in some measure been bridged, but there was a considerable irreconcilable element which threatened again to make a fight against the organization. Much depended upon Colonel Roosevelt. He had been taking an active part in the discussion of American policies and had come out as an avowed advocate of stronger action on the part of the United States both toward Mexico and Germany. He had become a proponent of war against Germany especially after the sinking of the *Lusitania*, and by his speeches and written articles was calling upon his countrymen to force the administration to more decisive steps. There was much talk of running him in the coming presidential contest, but if that were done it meant another split of the Republicans for he was no more acceptable to the "stand-pat" element than he had been in 1912. For Republicans, then, all hopes of successful opposition to the Democrats lay in placating the Progressives and inducing them to return to the fold.

Some of the issues of the campaign were fairly well defined months before either convention met. There were, however, many crosscurrents which made it impossible to line the major parties up definitely. So far as the domestic policies of President Wilson were concerned he had secured from a none too willing congress many of the laws which he deemed essential, and the rank and file of the country appeared to stand solidly behind him. Much of this program, however, had been very displeasing to certain conservative business elements. The Mexican situation offered itself as a point of difference; there were strong supporters of an aggressive policy among whom were those whose financial interests were directly or indirectly involved. Others believed that the president was allowing the United States to be flouted by a weaker and less advanced nation. So far as the European situation was concerned some thought that the president had kept the United States out of the war and had not compromised the honor of his country. Others believed with Roosevelt that the time for notes had passed long ago and that Germany must be made to render account in something more tangible than guarded and conditional promises.

Whether or not the United States would eventually be drawn into the conflict, confidence in the Atlantic as a barrier was much less pronounced. As early as the latter part of 1914 individuals and then organizations began to agitate for a stronger army and navy. In December the National Security League was formed to concentrate the demand for defense measures, but at that time the president, as his annual message testified, pinned his faith to an organized militia and a strong navy, and warned against letting momentary hysteria convert the American people to the militaristic doctrines of Europe. But the events of 1915 brought a change, for in the annual message of that year the matter of defense was more strongly stressed. Wilson advised increasing the standing army to some 140,000 and recommended legislation which would create a continental army which would add some 400,000 to the second line of defense. More aid to the states in maintaining their militia was urged. In October a comprehensive naval and military program was submitted and its adoption by congress was urged by Mr. Wilson in the winter. But all congress would do for the army was embodied in the Hay bill authorizing an increase of the standing army to 186,000 and raising the militia to approximately 425,000. Other schemes were suggested, some approximating the president's recommendations, and others, like the senate Chamberlain bill, going much farther. When it was evident that neither congress nor the country would back the president's proposition, he supported the Hay measure which was enacted into law. Secretary Garrison resigned as a protest against the president's refusal to insist upon the original program, and Newton D. Baker, who had been mayor of Cleveland, was appointed in his place. The navy proposition fared better. A law was passed calling for an expenditure of over half a billion dollars in three years to construct dreadnaughts, battle cruisers, scout cruisers, submarines and other craft, and included an appropriation of $11,000,000 for the building of a government plant to make armor plate. All the discussion made "preparedness" an issue of no small consideration.

The End of the Progressive Party

Both Progressives and Republicans held their conventions in Chicago on June 7. The former were almost unanimous in their desire to run Roosevelt again, but, at the same time, were anxious to secure the Republican support of their candidate; accordingly their leaders played a waiting game until the Republican convention should act. There the men most frequently suggested were Charles E. Hughes, Elihu Root, John W. Weeks of Massachusetts, Albert B. Cummins of Iowa, Theodore E. Burton of Ohio, Lawrence Y. Sherman of Illinois, and Charles W. Fairbanks of Indiana. Justice Hughes had been approached on the subject of the nomination but while he refused to commit himself in any way, the feeling was strong that he would accept the nomination if it were offered him. The first ballot gave Hughes 253 votes with the rest scattered among seven other men. On the third ballot Hughes received a majority of all votes, and subsequently Charles W. Fairbanks was chosen vice-presidential candidate.

Meantime the Progressives awaited the report of a committee appointed to confer with the Republicans. The Progressives proposed that Roosevelt receive the nominations of both parties, but the Republicans were not authorized to commit their party and the negotiations fell through. Thereupon the Progressives proceeded to nominate Roosevelt and John M. Parker of Louisiana. When notified of the nomination Colonel Roosevelt declined provisionally, asking the convention to await Justice Hughes' statement. On the same day the latter resigned his position on the supreme bench and issued a statement which was satisfactory to Colonel Roosevelt who immediately made his declination final. While there was no formal endorsement of Mr. Hughes' nomination the Progressives, left to their individual devices, felt themselves more or less committed to the course taken by their leader, although when it came to voting a great many of them refused to support the Republican candidate.

The Democrats met in St. Louis on June 14. The next day they renominated Wilson and Marshall by acclamation, and after adopting a platform, adjourned on the sixteenth. The platform eulogized the party, the president, and the legislative record of the past three years. It discoursed at length on "Americanism" and condemned "as subversive of this Nation's unity and integrity, and as destructive of its welfare, the activities and designs of every group or organization, political or otherwise, that has for its object the advancement of the interest of a foreign power." "The maintenance of an army fully equipped to the requirements of order, of safety and of the protection of the Nation's rights, the fullest methods of modern seacoast defense, and the maintenance of an adequate reserve of citizens trained to arms and prepared to safeguard the people and territory of the United States . . . and a fixed policy for the continuous development of a navy worthy to support the great naval traditions of the United States" was a part of the plank on "preparedness." The administration's conduct of foreign affairs was approved, and the Mexican plank, while conceding the necessity of punishing those who invaded the United States, specifically pronounced against intervention as implying "military subjugation." One of the notable features of the platform was a long list of labor demands. On woman suffrage the party stuck to its traditional views by recommending the extension of the franchise "to the women of the country by the States upon the same terms as to men." It was a long platform, much longer than the Republican which condemned the general foreign policy of President Wilson as not upholding the honor of the country or protecting its citizens, and denounced the course which had been followed with Mexico but did not suggest intervention. The plank on defense was shorter than the Democratic but its purport was essentially the same. Naturally the tariff bill of 1913 was condemned. Just about the same stand was taken on women suffrage.

Issues During the Campaign

The campaign was conducted with great vigor on both sides. Mr. Hughes, in his formal speech of acceptance, devoted half his time to a condemnation of the Mexican policy of President Wilson although he touched rather lightly on the European situation. In fact, it was charged that Mr. Hughes was out after the German vote and did not intend to say anything which would alienate it. On the other hand, Colonel Roosevelt condemned the way in which notes instead of deeds had answered German aggressions and reiterated his plea for a strong army and navy. President Wilson, in the speeches which he delivered at Shadow Lawn, the summer capital, maintained that the United States had taken a firm attitude toward Mexico without, however, committing the country to definite intervention. As the summer went on more emphasis was placed upon the European question and upon the necessity of being prepared to face eventualities. While Republican councils were divided it was evident that the German newspapers were lending their support to Mr. Hughes' candidacy by attacking the president as subservient to Great Britain and the *Entente* generally.

During the campaign another issue was introduced by a vote of the four railroad brotherhoods to strike on nearly all the roads of the United States unless they secured an eight hour day with time and a half over-time pay. On the seventeenth of August, President Wilson, having failed in an attempt to bring the railroad managers and the employees together, and when the brotherhoods had refused to arbitrate the question, summoned the presidents of the principal companies to the White House for a conference. Nothing came of the effort and the president went before congress and urged immediate legislation which would bring the results demanded by the brotherhoods. In response to the appeal the house, on September 1, passed the Adamson bill which established a basic eight-hour day for railway workers and provided for a commission of three members to observe and report on the working of the plan. The next day the senate passed the same measure. Immediately the Republicans took up the cry that the president had yielded to labor demands for political reasons, and from then until election day the Adamson law was a principal factor in the campaign. Mr. Wilson answered the charges by indicating that the Adamson law was but a beginning of the program he had in mind.

Late in the campaign one of the Democratic campaigners brought in the slogan "He kept us out of war!" and much was made of this appeal particularly in the Mississippi valley. Another factor which exercised considerable influence arose in September after the president had received an insulting message from an agitator named O'Leary in which the president was denounced and his defeat in November predicted. In reply to this the president said, "I would feel deeply mortified to have you or anybody like you vote for me. Since you have access to many disloyal Americans and I have not, I will ask you to convey this message to them." This O'Leary message did much to counteract charges which were being made that the president was "pussy-footing" to placate the Germans and other "hyphenates." Indeed, when it came to making a decision as to how to vote in 1916 there was good ground for hesitation. Mr. Hughes appeared to shuffle and take no definite stand with respect to the European situation; he seemed to condemn equally the president's course in not insisting that Great Britain cease interfering with American trade with the Central Empires, and the failure to hold Germany to strict accountability. Many Progressives believed that Mr. Hughes was too much committed to the reactionary group which had dominated the Republican party, but were loath to support the president by their votes because of his handling of the foreign affairs.

The early primaries and the Maine elections seemed to point to a Republican year, but on the other hand there were indications that these preliminary signs did not have the prescience of former times. The elections, on November 7, passed off peacefully, and when the returns were beginning to come in it appeared that Hughes and Fairbanks would have a majority of the electoral vote. In fact for a week, while there was some doubt in some states, the Republicans felt reasonably sure that they had won. Nevertheless a recount in certain states seemed sure to modify the results; one of these states was California where the campaign which Governor Johnson was making for election to the United States senate attracted as much attention as did the presidential canvass. That Johnson was elected by nearly 300,000 plurality was early conceded, but as the count went on the Democratic gains for presidential electors mounted until in the end it was seen that Wilson had won by some 3,000 votes. California, as it happened, turned the scales at the end: her 13 votes made a majority for Wilson and Marshall. The Democrats had 277 electoral votes and the Republicans 254. Perhaps the most significant thing about the canvass was the fact that it was the West and South together which determined the outcome. There was, of course, a solid Democratic electoral vote from the South, but of the trans-Mississippi states only Oregon, Minnesota, and South Dakota fell in the Hughes column. Such normally Republican states as Iowa, Washington, North Dakota and Kansas went for Wilson. North of the Ohio and east of the Mississippi the only states with a plurality for the Democrats were Ohio and New Hampshire. West Virginia gave seven of her eight votes to Hughes and the other to Wilson and Marshall.

The interpretation of the result varied greatly, but the outstanding reasons for the re-election of President Wilson appear to have been the influence of the Progressives who were distrustful of Hughes and his advisers, the prosperity of the farmers of the Mississippi valley, and the "kept us out of war" appeal in some of the states which had women suffrage, although Oregon and Illinois went Republican. Wisconsin's heavy German vote undoubtedly had much to do with swinging that state into the Hughes ranks. There may have been some support for the president on account of the stand he had taken for the eight-hour day on the railroads, but evidence is conflicting; for example, Buffalo with a large working population directly dependent on railway work went Republican by a large majority. Despite the closeness of the vote the outcome could be viewed, as the New York *Tribune* stated, as a distinct personal triumph of the president and a general approval of his course. The congressional elections overturned the Democratic majority in the house for 213 Democrats, 217 Republicans, two Progressives, a Socialist, a Prohibitionist and an Independent were chosen. In the senate the Democrats lost one seat so that they had 54 members to the Republicans' 42. One woman, Miss Jeanette Rankin, was elected as a Republican representative from Montana where the electoral vote went to the Democrats.

U-Boats in American Waters

Political news had, through the summer and fall of 1916, been interspersed with a continuation of the Mexican items, and the European war had provided some new features. On July 9 a commercial submarine, the *Deutschland*, arrived at Baltimore with a cargo of chemicals and dyestuffs and took on rubber and nickel for the return trip. It was announced that a sister ship was about to attempt the same voyage and that regular intercourse between Germany and the United States would follow. Nevertheless, except for a second trip of the *Deutschland*, three months later, the proposed venture came to naught.[1]

On October 7 another type of submarine appeared in American waters. This was the U53, a regulation *Unterseebot*. It rose to the surface in Newport harbor, stayed three hours and left without any information about its destination. The next day came news that it had sunk five vessels, two of them neutrals, in the vicinity of Nantucket Light, but outside the three mile limit. No lives were lost on account of the assistance rendered by the torpedo boat fleet which steamed from Newport when the wireless call for help was received. In itself the episode created no new situation from a diplomatic point of view, but the effect on the

[1] The sister ship of the *Deutschland*, the *Bremen*, started on its trans-Atlantic voyage but nothing was heard from it until long afterwards, when it was learned that it had been captured and had been lying in a British port. The information of its capture was suppressed to stimulate the natural anxiety which would attend its disappearance and discourage further commercial trips of the sort.

American public was not what the German Admiralty had probably thought it would be. It was taken by most Americans as a gratuitous gesture of defiance and as such aroused as much wrath as the exploit of Captain Rose and the *Deutschland* had admiration.

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CHAPTER XXVI

AMERICA ENTERS THE WAR

In the course of the campaign and even before that, the president had exerted himself to define the position of the United States, or to redefine it, in the terms of a growing realization that, willy-nilly, Americans were too closely bound to the rest of the world to maintain an attitude of indifference to what was going on elsewhere. "We are participants, whether we would or not, in the life of the world. The interests of all nations are our own also. We are partners with the rest. What affects mankind is inevitably our affair as well as the affair of the nations of Europe and of Asia." From being a defender of the rights of neutrals he had become a champion of a new world order which would make it possible to avoid such catastrophes in the future. Accordingly he had seized upon the idea which had been embodied in the program of the League to Enforce Peace, an organization started in the United States and enlisting the support of a wide range of persons, with ex-President Taft as one of its principal advocates. In a speech in Washington before a convention of this league, on the 27th of May, he had said that "every people has a right to choose the sovereignty under which they shall live . . . . Second, that the small states of the world have a right to enjoy the same respect for their sovereignty and for their territorial integrity that great and powerful nations expect and insist upon. And, third, that the world has a right to be free from every disturbance of its peace that has its origin in aggression and disregard of the rights of peoples and nations." From that time to the close of his active participation in state matters this statement contained the essence of his doctrine, although it was elaborated and defined in more detail during the months and years which followed.

Peace Feelers

Nevertheless the president had, even in the latter part of 1916, a hope that the struggle could be brought to an end. In part this was stimulated by hints that Germany would not be averse to considering peace terms, and that the president might be the intermediary by whose efforts the belligerents could be brought around a peace table. But, on the other hand, information came to Washington that if peace were long delayed the advocates of a still more ruthless method of warfare would gain the ascendency in Germany. Accordingly Mr. Wilson, after his re-election, was taking steps to bring matters to a head. The German government, however, anticipated him. On December 16, 1916, there came a vague and indefinite peace feeler from Berlin. While no specific proposition was made the German note made clear that no terms were to be considered which did not guarantee Germany's control over central Europe and over the Balkan region where Rumania, which had entered the war on the side of the Entente, had been utterly crushed, and where, some time since, the Allied attempt to break a way into the Black Sea and check Teutonic advance toward the southeast had been blocked.

Even if the German note were unsatisfactory in its lack of details and couched in arrogant language not calculated to induce the Allies to reciprocate in peaceful overtures, the president determined to follow the course he had outlined, and accordingly, two days after the German note was received, addressed all the principal belligerents, calling upon them to state specifically what they were fighting for, adding that the objects of the war were "virtually the same, as stated in general terms to their own people and to the world." In the allied countries this request was received with much indignation since it seemed to put them on a par with the Central Powers. Nevertheless, while the German response was little more satisfactory than her previous communication, the Allied governments were astute enough to avow their purposes in considerable detail, and these purposes appeared to coincide in all major points with the president's notions. The note of December 18, then, had at least the effect of bringing out clearly the respective aims of the belligerents. In America it had the additional result of showing that the Allies were, according to the avowals of their governments, fighting for pretty much what President Wilson advocated. Thereupon, on January 22, 1917, the president in addressing the senate, summed up the situation and defined the stand of the United States in case it should be forced to become a belligerent. He reiterated his belief that there must come some sort of guarantee that policies of aggrandizement at the expense of weaker people must cease. "I am proposing," he said, "as it were, that the nations should with one accord adopt the doctrine of President Monroe as the doctrine of the world: that no nation should seek to extend its policy over any other nation or people, but that every people should be left free to determine its own policy, its own way of development, unhindered, unthreatened, unafraid, the little along with the great and powerful." In short he warned Germany that it might expect no sympathy from America in forwarding its schemes of imperialism, and at the same time, when he stated that there should be "peace without victory," indicated to the Allies that America would be no party to a victory which should leave Germany crushed and helpless to be despoiled by the conquerors. While many seized upon the expression "peace without victory" as a counterpart of "too proud to fight," and scoffed at the president's words, both in the United States and in the Allied countries many took his words as a formulation of what they desired. He had begun to be a spokesman of inarticulate millions who were tired of the war and of the system which had produced it.

Unrestricted Submarine Warfare

That the war *might* come to America was becoming daily more evident. The activities of the submarines, what they did at the very doors of the country, the accounts of deportation of Belgian and French noncombatants, all were beginning to strain American patience sorely. Moreover hints had reached government circles that if the German peace feelers were not favorably received submarine warfare would be intensified. Just before the president went to congress with his message of January 22 the German government had determined to risk the entrance of America into the war by adopting the advice of von Tirpitz and his associates of the extreme wing, in the face of warnings from Ambassador von Bernstoff and opposition of the faction headed by Chancellor Bethmann-Hollweg. It was evident that the German people were becoming restless under the privations of a war which had already lasted two and a half years when they had been promised that it would be over in six months. Furthermore, in German official circles, there was a belief that by a few months or possibly a few weeks of unrestricted submarine activity England could be brought to starvation and capitulation. On January 31 the German ambassador notified Secretary Lansing that beginning the next day the *Sussex* promise would be cancelled and all vessels of whatever nationality entering a specified zone about the British Isles would be sunk without warning. The only exception would be that one American ship, following a designated course and conspicuously marked, might each week sail "in each direction, with arrival at Falmouth on Sunday and departure from Falmouth on Wednesday," provided this vessel carried nothing which Germany considered contraband. A mighty wrath mingled with a sense of the humor of the situation swept over the nation.

THE BREAK WITH GERMANY

Three days later, on February 3, the president again went before congress with the information that Ambassador Bernstoff had been given his passports and that Ambassador Gerard had been recalled from Berlin. Even at that moment, however, the president's words indicated that he still had a lingering hope that the calmer and more enlightened sentiment of the German people would stay the hand of their government. It was not long, however, before the American people realized that the threat of unrestricted attack was no idle boast. On March 15 the British Admiralty reported that between February 1 and March 11, 210 ships, of which three were American, were sunk. By the first of April five more vessels of American registry were sent to the bottom. One of these, the *Vigilancia*, from New York to Havre *via* the Azores, was torpedoed without warning and fifteen of the crew were lost. These losses made American shippers hesitant in sending their bottoms out, and for a time there was a virtual cessation of sailings.

On February 26 President Wilson again appeared before congress to ask from that body authority to arm merchantmen.

The appeal was made the more dramatic since he had learned on his way to the Capitol that the *Laconia,* a Cunard liner, had been sunk without warning and several Americans had been lost. The President reviewed the submarine issue, calling attention to the specific instances of sinkings since the *Sussex* pledge. "I hope," he said, "that I need give no further proofs and assurances than I have already given throughout nearly three years of anxious patience that I am the friend of peace and mean to preserve it for America as long as I am able. I am not now proposing or contemplating war or any steps that will lead to it. I merely request that you will accord me by your own vote and definite bestowal the means and the authority to safeguard in practice the right of a great people, who are at peace and who are desirous of exercising none but the rights of peace to follow the pursuit of peace in quietness and goodwill—rights recognized time out of mind by all the civilized nations of the world."

Bills to carry into effect the president's request were introduced in both houses, and on March 1 the house bill was carried by a vote of 403 to 13. The measure did not, however, permit the president to extend the privileges of the War Risk Fund to the extent of insuring amunition carriers. In the senate a fillibuster was started to last until the session ended and prevented a vote on the proposal. Senator La Follette of Wisconsin headed the obstructing group which included Norris of Nebraska, Cummins of Iowa, Gronna of North Dakota, Clapp of Minnesota, Works of California, all Republicans, and Stone of Missouri, O'Gorman of New York, Kirby of Arkansas, Lane of Oregon, and Vardaman of Mississippi, Democrats. At the close of the session, early on the morning of March 4, a manifesto signed by seventy-five senators stated that they favored the passage of the bill and would have voted for it if the privilege of unlimited debate, allowable under the rules of the senate, had not prevented them from doing so. Directly after the inaugural exercises which came shortly after congress adjourned, the president issued an appeal to the country in which he scored the action of the "little group of wilful men," who, however, did not stop the arming of merchant vessels. After taking the advice of the attorney-general, on March 12 the president caused formal notice to be given that "the Government of the United States has determined to place upon all American merchant vessels sailing through the barred areas an armed guard for the protection of the vessels and the lives of the persons on board." The authority of a law, passed in 1819, having specific reference to piratical ships, was considered by Attorney-General Gregory sufficient to cover the existing situation, although Secretary Lansing was of the opinion that it did not.

War with Germany

Three days before this announcement the president summoned the new congress to meet in special session on April 16, without specifying any particular reason therefor. On March 19 came the news that the *Vigilancia* had been sunk without warning, the first overt violation of the Sussex pledge, consequently the convening of congress was pushed two weeks ahead. On the evening of that day President Wilson read his war message. "The present German submarine warfare against commerce is a warfare against mankind," he said. "It is a war against all nations . . . . The choice we make for ourselves must be made with a moderation and a temperateness of judgment befitting our character and our motives as a nation. . . . Our motive will not be revenge or the victorious assertion of the physical might of the nation, but only the vindication of right, of human right, of which we are only a single champion. . . . With a profound sense of the solemn and even tragical character of the step I am taking and of the grave responsibilities which it involves, but in unhesitating obedience to what I deem my constitutional duty, I advise that the Congress declare the recent course of the Imperial German Government to be in fact nothing less than war against the Government and people of the United States." He took occasion to point out what it would involve, in sacrifice of blood and treasure, on the part of the American people. He reverted again to the theme which had been emphasized in so many of his more recent public utterances, the danger of autocratic governments. "We have no quarrel with the German people," he said. "We have no feeling toward them but one of sympathy and friendship. . . . The world must be made safe for democracy." With Austria-Hungary the president did not recommend a declaration of a state of war, for, although its government had given its adhesion to the German submarine policy and on that account the newly appointed ambassador, Count Tarnowski, had not been received, nevertheless there had been no actual hostile moves against American citizens. After a debate which lasted thirteen hours, on April 4 the senate passed the resolutions declaring the existence of a state of war by a vote of 82 to 6, with eight senators absent, all of who would have voted in the affirmative had they been present. The house received the senate resolutions on Thursday, April 5, and the next day adopted them by a vote of 373 to 50, with nine representatives not voting. As soon as the president signed the resolutions he issued a proclamation which declared the existence of a state of war.

Mobilizing the Resources

Now that America was in the war the next thing was to hasten preparations to make formal action practically effective. While congress had done something by the legislation of 1916 the nominally effective fighting forces of the United States amounted to fewer than three hundred thousand men and ten thousand officers, counting all the regular army, the reserves and the national guard. Many if not most of these, officers as well as enlisted men, were little acquainted with the methods of warfare which had developed since 1914. The war department itself had not gone very far in making ready for emergencies; Secretary Baker before his appointment to the war office had been known more as a pronounced liberal than as one interested in the problems of defense—indeed he seems to have had a distrust of professional military men. In these views he and President Wilson were generally in accord. Now, however, both men had to drop the things dearest to their hearts and throw themselves into the problem of mobilizing America's offensive and defensive forces. One of the most vital of early questions was whether military control should be unified or decentralized with considerable powers left to the states. Congress was inclined to emphasize state control but the president took the other view and insisted on unification of action and centralization of control in the General Staff. This body, consisting of fifty-one officers, of whom some twenty were located in Washington, was increased in size and, without any change in the law, clothed with additional powers, first among which was that of outlining a definite plan for drawing men into service.

At the outset, however, there was a general feeling that Germany was not going to keep up her resistance much longer, and that the function of the United States would be to feed the peoples of the *Entente*, keep an undiminished flow of war materials going across the Atlantic, and, perhaps, participate to some extent in patrolling of the seas.[1] The foreign missions, contrary to popular belief, did not lay stress alone upon assistance in the form of money and the things which money would produce, but urged the earliest possible despatch of fighting forces, in part for the moral effect which they would have upon the people of the Allied powers. They pointed out that Germany and her associates were far from beaten, and additional man power on all the fronts was imperative. The president recommended the passage of an act whereby America's man power could be drawn upon without awaiting the slow process of voluntary enlistments, although these had speeded up so that by April 17 they were 1,434 per day. After a month of deliberation and debate congress passed the Selective Service act which President Wilson signed on May 18.

The new law provided for raising the regular army to 267,000, increasing the national guard to 650,000 and enrolling all able-bodied men from the ages of twenty-one to thirty. From this last group was to be formed the National Army, as it was called to distinguish it from the regular army and the National Guard. The bill also made it possible for the president, if he desired, to raise four volunteer units, a provision stimulated by Colonel Roosevelt's desire to head a contingent in France. When Mr. Wilson announced that he would not avail himself of the privilege, he was criticized by those who considered it an affront to the ex-president, but he had the support of his military advisers who did not wish to have their general scheme upset by vagaries arising, as they felt, from an inadequate understanding of the situation. Such a volunteer force would have drained off many officers needed for training the raw levies. Furthermore, neither Colonel Roosevelt nor most of those who would have flocked to his standard could have been of immediate use in the field owing to their lack of practical knowledge of war as it was being conducted.

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[1] On April 24 congress provided for the borrowing of $7,000,000,000, with the provision that $3,000,000,000 of this should be loaned to the associated powers. The next day $200,000,000 was advanced to England, and, by the first of July loans to this country, to France, Russia, Italy, Belgium and Rumania totalled more than a billion, at the same rate of interest which the government itself was paying.

The representations of the Allied missions of the need of sending across the ocean an armed force led to the despatch of a small contingent under General John J. Pershing, who reached England on June 8 and France a few days later. Before the end of July enough more officers and men had been sent to increase the command to a division. General Pershing had seen service in Cuba and in the Philippines. By President Roosevelt he had been rapidly advanced over the heads of a large number of officers from captain to brigadier general. His command of the expeditionary force into Mexico had brought him into prominent notice. Characterized more by substantial qualities than by the brilliancy of Foch; cold, self-possessed and inclined to be a martinet in discipline, he was not the figure to win the affection of the rank and file nor to fire greatly the enthusiasm of the people at large. His greatness consisted in an appreciation of the task before him and the business-like manner in which he proceeded to its accomplishment.

MAKING AN ARMY

Registration under the enrollment act took place on June 5. It had been expected that 10,000,000 young men would be enrolled, but this figure was not quite reached for the total was 9,659,382, of whom 111,823 were unnaturalized German subjects. On June 21 rules were issued to local exemption boards governing the first draft, which took place on July 20, and called for 687,000 men. By the first of August the regular army had been recruited to more than the number provided by congress, and the National Guard to the number of about 350,000 had been enrolled for federal service. In the middle of May there were opened sixteen officers' training camps in the model of the Plattsburg, New York, camp which, in the summer of 1915, had been established by General Wood to train civilians. With a three month's course the camps were expected to turn out some 80,000 partly trained officers who could be used in the camps of the National Army or else sent for further instruction to special schools. Before the armistice was signed thousands of Americans, young and middle-aged, had passed through the camps to service in some branch or other of the army.

Mobilization involved a mass of difficulties. In the first place it was not until June 15 that congress passed the necessary appropriation bills. Consequently contracts were not made until late, and in the hurry to secure materials not only was there waste of money but inconvenience, suffering and unfortunate delay. Each general training camp was a good sized city and had to be supplied with running water, sewerage facilities, lighting, heat, to say nothing of food and clothing, hospital service, and a thousand and one things to secure to the men a minimum of comfort.[1] Arming the forces was a still greater problem. There were but two factories in the country capable of turning out in quantity the machine guns which were indispensable in modern operations. Moreover, it was not until after exhaustive tests that a standard model, the Browning, was selected, although Colt, Lewis, and especially Vickers machine guns were used until about June, 1918. All the contingents leaving after this date were provided with Brownings. By the time of the armistice enough Brownings, of two types, light and heavy, had been turned out to equip all the expeditionary forces, some 56,000 pieces in all. For rifles the government had to use an English model, which was made in the United States, in place of the standard Springfield until near the close of hostilities.

The greatest disappointment, at least to the public, was in airplane production for which $640,000,000 had been appropriated by congress. The disappointment was increased by the war department's policy of concealing the inevitable delays which attended the making of these machines. While in part the criticism leveled at the department was justifiable, there were factors which could not be obviated. There was much technical perfection to be reached, including the selection of a motor which would serve all the purposes demanded of it; then, after the model had been approved, other delays came from remedying defects revealed by actual use. There were delays in the production of the indispensable spruce due to labor difficulties and to an exceptionally severe winter in the northwest. The charge, brought home by General Wood in March, 1918, that up to that time no American combat plane was being used, led to an investigation by a senate committee and the placing of the whole matter of production under the supervision of John D. Ryan of the Anaconda Copper Company. At the close of hostilities twelve thousand American airplanes had been produced and of these over four thousand were combat planes.

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[1] In the winter of 1917-18 there was an epidemic of influenza which predisposed the victims to pneumonia and not only was there an extraordinary amount of sickness among the civilian population, accompanied with a high rate of mortality, but the army camps everywhere suffered to an alarming degree. There was a lack of trained nurses and physicians.

The navy was subjected to expansion similar to that of the army. The construction program was advanced and the personel rapidly built up so that from 65,000 men at the time of the declaration of war the number rose to over 497,000 by the close of 1918. In building, particular attention was devoted to destroyers and submarine chasers, and on October 9, 1917, Secretary Daniels approved contracts with five ship-building firms for vessels to cost in the aggregate $350,000,000. By the close of 1917 the cost of the total program put in the way of completion amounted to an estimated sum of $1,150,400,000. Training schools for sailors, planned on the lines of the army encampments, were established at different points, for the most part on the seaboard, although one of the largest, the Great Lakes Station, was located on Lake Michigan near Chicago. Owing to previous plans more carefully matured the navy was subject to fewer of the delays and inconveniences which annoyed the land forces.

Sending the A. E. F. Abroad

While General Pershing had been sent abroad in the summer of 1917 primarily to bring tangible evidence that America was in the war, and while there was no serious expectation that any considerable number of Americans would be at the front before late in 1918, the Allies were insistent that if the war was to be won the United States must furnish men in great numbers and soon. The Russian revolution at first weakened the resistance to the Central Powers on the east front, and then, as the power passed from the moderates under Kerensky to the radical or Bolsheviki group, Russian opposition crumbled and finally, at the treaty of Brest-Litovsk, December 15, 1917, collapsed altogether. This allowed many Austrian and German divisions to be transferred to the west front against the French, English and Belgians, and to the south against Italy and the remnants of the Balkan armies. In the latter part of October, 1917, the Austro-German armies drove through the Italian front in the Julian Alps, swept down on the Venetian plain and were not checked until they reached the Piave River, on November 19. As the year closed the four Italian armies, reinforced by French and English troops, were in imminent danger of being pushed still farther back, which would mean the capture of the cities of the Plain. A further discouraging factor was the destruction of shipping by submarines. Vessels carrying munitions and foodstuffs were constantly falling victims to German U-boats and there was danger that the threat to starve England into submission might be carried out.

The determination to send troops to Europe more rapidly than had originally been planned came along in the fall of 1917, and the effect upon the actual embarkations was immediately seen. By the end of August, 1917, a total of 45,290 men and officers were across; from then on the number rapidly increased so that when the armistice was signed a total of 2,045,169 soldiers were abroad. In the four months of May to August, 1918, a total of 1,121,703 men left American ports. When the administration determined to expedite the sending of men across, one of the principal obstacles was the paucity of tonnage to carry them, for at the time America entered the war there was practically nothing available for transporting troops. Privately owned vessels were chartered; interned German steamers, which had been seized when war was declared, were for the most part turned over to the army; Dutch ships were taken over in the early part of 1918, and Japanese and Scandinavian vessels were chartered. Troop ships and cargo ships were loaned by Great Britain. By the close of the war the army was served by its own fleet of 431 vessels of all types—troop ships, animal transport ships, refrigerator, tank and cargo ships.

MOBILIZING ECONOMIC RESOURCES

Even before America became a belligerent, it had been demonstrated that modern warfare involved much more than the fighting of armies or navies. To a large degree a whole people had to be mobilized in order to bring to bear the full force of its defensive and offensive powers. One of the very earliest problems was raising the money to buy the manifold things war demanded and to help the Allies, through loans, to secure munitions, food and other necessaries. At the outset a difference of opinion arose as to how much should be raised by taxation and how much by loans. Obviously, while money is needed to set in motion the machinery of production and to keep it going, no war is ever fought with rifles manufactured or wheat grown ten or twenty years later, hence theoretically, at least, any war could be financed by direct assessment on services, materials and money; in other words taxation to the utmost limit might replace loans. There were many economists who maintained that in the long run the people of the United States would benefit by laying emphasis heavily on taxation and relying less on borrowing. Congress, however, while increasing materially all sorts of taxes, was unwilling to take the drastic step of letting that instrumentality bear the principal burden. There were five bond issues, each of which was oversubscribed, and the interest bearing debt increased from $971,562,590 in 1916 to $25,234,496,274 in 1919. Quite as significant as the amount raised was the fact that such a large proportion of the people subscribed; four million contributed to the first Liberty Loan, while over twenty-one million took up the fourth.[1] Although it deprecated the necessity, the administration was practically forced to use the financial machinery already functioning in the country, from mammoth banks of Wall Street to little country banks. Every community organized its bond-selling teams, and no state, city or village was willing to admit that its quota could not be raised. It is true that in some portions of the country what came perilously near "strong arm" methods were employed in selling bonds; men who were considered able to buy were virtually dragooned into doing so. In a few instances where some recalcitrant individual resisted the moral pressure more drastic methods were used, methods which later were not looked upon with pride.

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[1] People were encouraged to buy War Savings stamps in denominations of five dollars and Thrift Stamps to be affixed to cards could be purchased for twenty-five cents.

While neither the secretary of the treasury nor congress laid as much emphasis on taxation as many desired, it was by no means neglected. For the fiscal year ending June, 1916, the federal government collected $725,909,133 from customs and internal taxes; the next year these two sources yielded $1,035,356,033, for the new income tax had begun its operation fully. By the end of the next fiscal year the customs and internal revenue amounted to $3,878,954,203 and for the year ending June 1919, the sum was $4,034,607,945, in spite of the fact that the customs had fallen off materially on account of the slackening of imports from abroad. The vast augmentation of receipts was due to internal taxation. Congress revised the income schedules, levied taxes on all sorts of luxuries, and demanded a part of the profits of business in the excess-profits tax.

Paying taxes and buying bonds did not complete the list of financial calls upon the average citizen. "Drives" became a commonplace. There were "drives" for Red Cross subscriptions where the whole country was quotaed, and much the same methods of bringing each community up to its assigned amount were employed as for selling government bonds. Then there were special funds raised for all sorts of relief work, especially among the people of devasted regions such as Belgium or Poland or the Near East. Taken altogether the American public was called upon to dig deep to meet the unending demands for money and the response was generous and for the most part cheerful.

If men and money were needed, organization to utilize both was needed no less. In the summer of 1916 six cabinet members were designated a Council of National Defense. As a council it was little more than a name, but when the war came an advisory commission of seven members was appointed to co-ordinate various activities. Each member of the commission had supervision over a particular field, such as munitions, transportation, labor, medicine, metals and other raw materials, engineering and education, and clothing and other supplies. The commissioners and the chairmen of their sub-committees employed experts, technically trained men who were called upon by the thousands to work in their own communities, or to go to Washington. Many business men gave their services as "dollar-a-year" men. Collaborating with the central organization were state Councils of Defense, or Safety Commissions, which functioned locally, taking charge of Liberty loan drives, campaigns for food production, fuel control and the like. In a few instances these state organizations exhibited a zeal which went far beyond what was expected, and interpreted their authority to include the suppression of what seemed to them disloyal utterances or acts. Some of them lost sight of the real distinction between constructive criticism and open or covert obstruction of the government in its prosecution of the war, and left a trail of bitterness which was connected with some of the political movements which accompanied and followed the war. In the Middle West local opposition to an economic-political movement, started by the Non-Partisan League, worked through the various Councils to check and discourage a legitimate expression of discontent with existing conditions.

The Question of a War Cabinet

In spite of attempts at co-ordination the summer of 1917 found an apparently hopeless tangle of conflicting interests. The navy, the army, munitions manufacturers, and producers of all sorts bid against each other for materials and labor. Various departments of government not only failed to co-operate but hindered their own and others' progress through blind competition. Partly as a result of this tangle there had been a move to force the president to create a bi-partisan war cabinet. Senator Chamberlain of Oregon, a Democrat who had usually been a supporter of the president, stated, in January, 1918, that the whole military establishment of the United States had "fallen down," that inefficiency pervaded every department and bureau of the government. To correct the situation he advocated the creation of a ministry of munitions. The president was opposed both to a war cabinet and to Chamberlain's idea. On January 21 he called attention to the complaints about delays and disappointments; "But," he said, "compared with what has been accomplished, these things, much as they are to be regretted, are insignificant,and no mistake has been made which has been repeated." Shortly after this was announced the appointment of a war council of five men with Major-General Goethals, acting-quartermaster-general, as chairman.

On the first day of February, 1918, the president conferred with a group of Democratic senators and made clear to them his opposition to the war cabinet bill and the bill providing for a minister of munitions. Then, as a constructive measure, the president proposed that congress authorize him to "make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties and powers hitherto by law conferred upon any executive department, commission, bureau, agency, office, or officer in such manner as in his judgment shall seem best fitted to carry out the purposes of this act, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary." Senator Overman brought the measure before the senate and said, in answer to the charge that "it would shut congress off entirely from the law-making prerogatives," "Everybody has been making criticism about the red tape in the departments. The President wishes to cut it. Let us give him the scissors with which to do so." And congress gave him the scissors. Under the Overman act the powers of the War Industries Board which had come into existence by order of the president July 18, 1917, were increased. Generally speaking its functions were to co-ordinate activities in such a manner that a steady flow of necessities could go across the ocean to the Allies and to the forces of the United States. Raw stuffs were rationed to manufacturers so that essential industries would be supplied. A priorities list was drawn up so that, for example, steel was supplied first to munitions factories, ship yards and the like, then contributory industries, and, if a surplus remained, other manufactures could get metal for less important products. The board could withhold materials from producers who ignored its demands. The result was a stimulation of production of indispensable things like steel, potash, chemicals, dyes, nitrates and the like.

FOOD CONSERVATION

The food problem was a serious one. Most of Europe was producing only a tithe of its normal crops and more and more America was looked to for feeding the populations of the Allies. Only a few days after the declaration of war the president had appointed Herbert Hoover, whose notable work in directing relief in Europe had commanded universal approbation, chairman of a committee on food supply to collaborate with the Council for National Defense. During the first months Mr. Hoover's work was to educate the public to produce and to save, and incidentally to force dealers to a realization that "profiteering" was a short-sighted policy. While much good was accomplished Mr. Hoover soon realized that moral suasion alone would not suffice, and it was due to his presentation of the facts that the president used his influence to secure the passage of the Lever act which authorized the appointment of a Food Administrator with large powers. Much opposition to such legislation developed particularly from the senators and representatives of the agricultural regions, and a strong attempt was made to have the administrator's power shared by a senate committee. As soon as the Lever bill became law Hoover was made Food Administrator and immediately he removed much antagonism by assuring farmers that all the wheat they raised would be purchased at a fair price, even if, in case the war should suddenly come to an end, the government had to buy any surplus. To maintain a steady flow of food the storage of grains in elevators was limited and speculative buying forbidden. Nineteen-eighteen saw the largest wheat crop but one that the United States had ever known. Meat, milk, wool and other agricultural products were increased. "War gardens" were planted to supplement ordinary production. In order to release a greater amount of wheat for export people were urged to use substitutes like rye, corn or barley. Millers were obliged to mix other grains with wheat in making flour and commercial bakers had to decrease their production of wheat foods and supply the deficiency with substitutes. Meatless days were inaugurated. The consumption of sugar was limited and dealers were held strictly accountable for all they received and sold. Some people failed to co-operate but their number was limited, and not only did the United States not have to resort to "meat-cards," "sugar cards," or "bread-cards," as England and France long since had done, but the amount of exports exceeded the rosiest hopes. According to all available information in April, 1917, a total of 20,000,000 bushels of wheat was in sight for exportation; actually, by the time of the armistice, 141,000,000 bushels had started from American ports. In all, food stuffs to more than twice the normal amount were exported during the war, aggregating in money value more than two billion dollars.

FUEL CONSERVATION

Another vital necessity was fuel. Owing to disagreements between the secretary of war and mine operators over what was a fair price, and over the failure to establish a zoning system, it was seen, early in the summer of 1917, that there was likely to be a shortage of coal. To secure co-ordination in August the president, under the authority of the Lever act, appointed Harry A. Garfield Fuel Administrator. There was an extraordinary demand for coal in the latter part of the year. Local dealers had been slow in placing orders because the public, hoping for a lower price, refused to buy in the summer. Ships were held at New York and elsewhere because they could not get bunker coal. Then, with the sudden demand for moving coal, added to other tasks which were put on the railroads, the whole transportation system broke down. Consequently the president, in December, announced that the government would take over the railroads for the duration of the war. This, however, did not produce sufficient relief in the matter of fuel supply. Thousands of tons of freight awaited shipment while vessels lay in harbors unable to move because of empty bunkers. Ships returning from England brought back coal to be used for fuel on the return voyage. More drastic action was needed. Accordingly Mr. Garfield ordered all factories, not engaged in vitally essential production, theatres, offices not used for public work, and all shops not dealing in necessities, to shut down with banked fires for a period of five days, and to remain closed on Mondays as well as Sundays until the latter part of March.

Much more criticism was leveled at the Fuel Administrator than at Mr. Hoover, but the drastic action produced results; coal was released, and the remedy, though bitter, was effective. "Daylight saving" and education in economical use of fuel contributed to the desired end. At the same time production was stimulated, and by the introduction of a zoning system whereby unnecessary haulage was eliminated much saving was accomplished. Similar restrictions on the use of gasoline, with "gasless" Sundays and the like, saved over a million barrels of gasoline for use abroad.

The Railroads Taken Over

On March 14, 1918, congress gave the president authority to administer the railroads of the country for the duration of the war and for not more than twenty-one months after its close, and a half billion dollars was appropriated as a revolving fund to facilitate operation. The roads were to be compensated on a basis of the average net return during the three years prior to June 30,1917. The interstate commerce commission retained its powers over rates and their adjustment to new conditions. Secretary of the Treasury McAdoo, already appointed Director General of Railroads at the time they were taken over by the government, was continued in that capacity, and a special board of government officials was empowered to make the necessary contracts with the roads. Under government control and management the roads were organized in such a manner as to make their service first of all effective for the things which contributed to carrying on the war. The number of passenger trains was decreased; co-operation through elimination of duplicate service was brought about; joint terminal facilities put an end to much waste of time, labor and money. Some roads were made one-way lines. By such drastic measures the railway tangle had been somewhat unsnarled by the early summer of 1918. The whole expedient was seized upon by advocates and opponents of permanent government ownership of railroads to furnish arguments to substantiate their policies. The latter pointed to the unquestioned inconveniences which the general public had suffered, to the railroad administration's yielding to demands of various railway unions in matters of wages, conditions of work, and the like and to the increase of rates, both freight and passenger, which came to offset the increased expenses of operation. Those who were in sympathy with the idea of government ownership argued that, when all was said, the necessary tonnage had been carried, a thing which seemed impossible so long as the carriers were under private control; that to judge of the efficacy of government control under war conditions was not affording a reasonable basis of comparison.

Providing Shipping

The war demanded a reorganization in water carriage, not alone to provide transport for troops and the things immediately needful for them, but to help replace the vessels which fell victims to submarines or met with other disaster, and to maintain as far as possible some sort of contact with various parts of the world now more and more dependent on American goods. The United States Shipping Board, organized in 1916 especially to provide tonnage for the South American trade through operating the Emergency Fleet Corporation, was called upon to face a far greater task. A gigantic program of ship-building was entered upon, but slow progress was made at first on account of the inability of the chairman of the Board, William Denman, and the president of the Corporation, General Goethals, to agree upon the type of vessel to be built. Mr. Denman believed in wooden ships, for which the materials could be more quickly obtained, while General Goethals pinned his faith to the steel vessel. Both men resigned and Edward N. Hurley took Denman's place and, on April 16, 1918, Charles Schwab, president of the United States Steel Corporation, was made Director General of the Corporation. After this the tonnage under the control of the Shipping Board rapidly increased; in addition to interned German ships which were taken over, vessels of American registry requisitioned when the war began, and ships chartered from the Allies and from neutrals, a total tonnage of 2,722,563 was built up to July 1, of which 1,763,664 tons were constructed after the first of April, 1917. By the close of the war some 2600 vessels of all types were under the control of the

Board, and of the total tonnage of more than ten millions, about sixteen percent was new construction. In accomplishing it much ground for criticism was created, especially before Mr. Schwab assumed direction, because of the "cost plus" system and the high rate of wages paid workers in the shipyards which contrasted so markedly with the stipend received by men in the army. There was much waste and duplicated effort, and the effect of excessive wages was detrimental to industry in general and strained severely the loyalty of those who were drawn into army and navy.

In part the efforts of the Shipping Board to provide tonnage were supplemented by the War Trade Board. In October, 1917, congress passed a Trading with the Enemy act to stop the flow of American goods to the Central Empires through neutral countries and the War Trade Board was the agency through which the act was in large part administered. This board virtually controlled all foreign trade and made out "enemy trading lists" so that any firm whose name appeared thereon was unable to obtain goods for shipment. It was estimated that by the middle of 1918 supplies through neutral countries had been cut from 65 to 85 percent. The work of the board was supplemented by that of the Alien Property Custodian who took over and administered American property of enemy aliens.

Labor and the War

Directly and indirectly the question of labor was one of the most fundamental which had to be dealt with. Before America entered the war one of the advisory committees of the Council of National Defense, co-operating with the department of labor, started work on the problem of co-ordination, of securing the greatest possible efficiency and at the same time recognizing the claims of labor organizations in matters of wages, conditions, hours, etc. In January, 1918, a national war labor policy was worked out, and, with the co-operation of representatives of the National Industrial Conference Board and of the American Federation of Labor, there was formulated a set of principles by which differences could be adjusted. As a part of the plan there was created in April a National War Labor Board with numerous subordinate boards connected with all sorts of industries directly under government operation, and indirectly where private concerns were working on government contracts. All disputes which arose were submitted to the local boards, which in most instances effected a working arrangement, but the National Board was a sort of court of last appeal in cases where the award of the local board was unacceptable to either party. Organized labor made much progress in obtaining recognition for collective bargaining. There was some difficulty in certain localities where the Industrial Workers of the World took the opportunity to try to spread their doctrines and to tie up vital industries. In some instances it was shown that the agitation was in part, at least, stimulated by outside forces which would benefit by any cessation of the supply of products which were calculated to push the war with vigor. There was a tendency to confuse legitimate attempts to better conditions with disloyalty and to brand any union man as I. W. W. and a potential traitor. Such misdirected zeal left a legacy of bitterness on both sides which cropped up in different ways during and after the war.

The Espionage Act

The problem of suppressing attempts to interfere with the prosecution of the war, particularly after the passage of the Selective Service act, led to the passage of the Espionage act of June 15, 1917. The law defined espionage, and further provided that

> Whoever, when the United States is at war, shall willfully make or convey false reports or false statements with intent to interfere with the operation or success of the military or naval forces of the United States or to promote the success of its enemies, and whoever, when the United States is at war, shall willfully cause or attempt to cause insubordination, disloyalty, mutiny, or refusal of duty, in the military or naval forces of the United States, or shall willfully obstruct the recruiting or enlistment service of the United States, shall be punished by a fine of not more than $10,000 or imprisonment for not more than twenty years, or both.

While freedom of speech in times of peace is not the same as in wartime, nevertheless people of Anglo-Saxon traditions believed that there should always be preserved the right to criticize the policies and the acts of the government. The difficulty lay in drawing the line between legitimate and obstructive criticism. The act was effective in combating anything like deliberate propaganda of a disloyal nature, and in so far was not the subject of criticism. But, with a few notable exceptions, there was a tendency on the part of federal district courts to interpret it in such a manner as to make it dangerous for anyone to express even loyal dissatisfaction with what the government was doing. There were some hundreds of cases which arose under the act and many of the convictions were for statements which could have had little bearing on anything actually pertaining to enforcement of the law. In spite of this many believed that the courts were extracting the teeth of the law and demanded a more sweeping enactment.

In a few cases angered citizens took the law into their own hands when they believed an acquittal had resulted from a miscarriage of justice; there was a lynching or two, some cases of tarring and feathering, and similar expressions of popular dissatisfaction. The result was an amendment, the Sedition act, signed by the president on May 16, 1918, which increased the list of offenses. Saying or doing anything calculated to restrict the sale of United States bonds; speaking, printing or otherwise expressing contempt for the government of the United States, the constitution, the flag, or the uniform of the army or navy; using language intended to promote resistance to the United States or to aid the enemy's cause, or using words which favored any country with which the United States was at war were all forbidden. Under the act of 1917 and strengthened by the amendment of 1918 the postmaster-general was authorized to refuse service to any person who used the mails to send matter violating the terms of the espionage act.

While the act served as a deterrent it frequently failed to accomplish its immediate purpose, because in some cases the offender was not tried until the war was over and, if convicted, sent to prison when all moral effect of the punishment amounted to little. No case came before the United States Supreme Court until 1919 after the armistice had been signed and after the greater part of the cases had been passed upon by the district courts. In some of these cases[1] the offense was clearly shown to have been one of inciting persons to disobey the law, in others it was not so clear. One attracting most attention was where Eugene V. Debs was accused of attempting to discourage recruiting and promote insubordination in the army by having spoken of the war as the supreme curse of capitalism and by having approved the course of certain persons who had previously been convicted under the espionage act. This case was carried to the Supreme Court and there the decision of the lower court against Debs sustained. The application of the act introduced a novelty in American legal history, the political crime. A group, for example, was convicted for circulating statements denouncing the president for sending troops to Russia to help suppress, as it was alleged, the working classes in their revolutionary attempts. When the case was appealed to the Supreme Court the specific issue was whether the espionage act actually covered the case. Seven justices came to the conclusion that it did while Justice Holmes rendered a dissenting opinion in which Justice Brandeis concurred.[1]

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[1] Schneck *vs.* U. S., 249 U. S. 47, Sugerman *v.* U. S., 249 U. S. 130.

Spreading American Propaganda

In order to inform the public of what was going on and at the same time prevent the leakage of important military and naval secrets, the Committee on Public Information was created by executive order on April 14, 1917. It was composed of the secretaries of state, war, and navy and George Creel, the chairman, who directed the real work. The activities of this committee were legion: it supplied the daily press with war news and feature articles; it prepared and had printed 18,000,000 copies of fifteen pamphlets in seven languages; it assumed direction of speaking campaigns throughout the union, organized the "four-minute" speakers, arranged tours, and conducted war conferences. Its news service extended all over the world, and had correspondents in all the important capitals of Europe, the Latin American countries and in the Orient. It furnished moving picture films for use at home and abroad; it provided for the designing and displaying of posters, window cards and the other advertising devices. Its headquarters in Washington were a kind of clearing house for information for all who had business with government officials.

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[1] U. S. *v.* Jacob Abrams *et al.*, 260 U. S. 616.

By Products of War

Two important developments which came to a culmination in part as a result of the war were nation wide prohibition and national woman suffrage. The temperance movement was an old one. As far back as the fifties Maine had prohibited the manufacture and sale of alcoholic beverages, and about the same time there were several other states in which, for a time at least, the attempt to ban intoxicating drinks found much favor. Local option, or decision of the issue by towns or counties, gained support, and gradually large sections of the country became "dry." Toward the close of the nineteenth century state-wide prohibition was making headway, and by the time the United States entered the war thirty-two states had outlawed both the sale and manufacture of liquor. The war offered a golden opportunity to the prohibition forces which succeeded in having put in the food bill of November, 1918, a provision making unlawful after July, 1919, the manufacture of anything except beer and wines and even these might, at the option of the president, be prohibited. Under the law the president forbade the manufacture of beer after December 1, 1918. Meantime congress passed a resolution submitting to the states an amendment to the constitution which, if adopted, would make prohibition a part of the fundamental law. On January 16, 1919, Secretary Lansing proclaimed the eighteenth amendment which would go into effect a year from that time. In October, 1919, congress passed the drastic Volstead act to make the amendment effective and repassed it when the president vetoed it on the ground that demobilization had practically been accomplished.

The nineteenth amendment, which came in time to allow women in all states to vote at the presidential election of 1920, was, like the eighteenth, pushed over by the war. While there had been earlier agitation to enfranchise women, the real struggle began in 1848 with the assembling of the first Women's Rights convention at Seneca Falls, New York. Lucretia Mott, Elizabeth Cady Stanton, and, later, Susan B. Anthony were leaders in the movement. In 1878 an amendment to the federal constitution was drafted by Miss Anthony and introduced in congress. From that time on the fight was kept up unceasingly in the face of persistent ridicule and frequently more violent opposition. Not much progress was made until toward the end of the nineteenth century when another line of attack, which was carried on simultaneously, began to yield results. First in one state and then another women suffrage was introduced until, when the nineteenth amendment was ratified, twenty-eight states had fallen into line; a few others allowed women to vote on certain issues. As one state after another was won over national opposition grew weaker. President Wilson at first believed that woman suffrage was a state issue, although Hughes, in the campaign in 1916, had come out definitely for a federal amendment. After the election was over English suffrage tactics were employed when the White House was picketed day after day by women from all over the nation. In January, 1918, a year after the first picket had stationed herself before the White House, the house passed the resolution for the amendment. After another year and a half the necessary votes were obtained in the senate partly because the president had been won over and he used his influence with individuals. By September of 1920 either in special or regular session the legislatures of enough states ratified the amendment and the long fight was won. Women suffrage without any question, and probably prohibition, would have come had there been no war but each of these was given a final push by that cataclysm.

BIBLIOGRAPHICAL NOTE

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CHAPTER XXVII

THE FORCES AT THE FRONT

On June 8, 1917, General Pershing and his immediate staff landed at Liverpool, and, as soon as the formal ceremonies of reception were completed, proceeded immediately to London where Pershing was received by a number of notables and next day presented to King George. Then followed a couple of busy days in which the Americans were put in touch with the British military system. On June 13 the Americans landed at Boulogne and from there went to Paris where a tremendous ovation awaited them. After that, at the temporary headquarters in the Rue de Constantine, every effort was made to lay out plans for utilizing the Expeditionary Forces as fast as they should arrive.

THE A. E. F. IN FRANCE

At first the Staff of General Headquarters was divided into three parts, but soon these were expanded into five; Administration, in charge of supplies, storage, replacement of men, and transportation; Intelligence, which collected information about the enemy, made maps and disseminated propaganda; Operations, having to do with tactical matters; Co-ordination, which saw to the distribution of supplies, men and replacements; and Training. Over them all was a Chief of Staff who was directly in touch with the commanding officer and who co-ordinated the work of the various branches.

Not for long were General Headquarters retained at Paris, for it was necessary to secure a place which would not interfere with the French operations, so Chaumont, Haute Marne, was selected and to this place went the General Staff. From the beginning it was the plan to place eventually some single portion of the western front under American supervision and control, and the region eastward of the Argonne Forest was chosen. Chaumont lay between this sector and the principal debarkation ports and off the main routes to Paris, so that more uninterrupted communication for supplies and men would be secured.

Great debarkation depots were established at Bordeaux, Brest, and St. Nazaire, with supply depots here and at Marseilles, La Pallice and, on a smaller scale, at a few other points. Ship berths were repaired or built; railroads communicating with internal training points and with the front were constructed. American sawmills were set at work in forests to supply the timber. Hospitals, barracks, warehouses, roads, freight yards and houses were constructed. Materials of all sorts were shipped from the United States, everything from nails or a bag of cement to a hundred-ton locomotive already to run from the hatch of a vessel under its own steam. All food, medicines, and clothing were sent from the United States. Something of a notion of the vast amount of supplies, which amounted in all to 5,153,000 tons by the time of the armistice, can be grasped when it is stated that there were shipped to France 1145 locomotives, over 17,000 freight cars, some 54,000 horses and mules and 34,433 motor trucks.

Shortly after Pershing arrived came the first of the enlisted forces. Their further training immediately began in camps where the preliminary drill received in America was supplemented and then, the rough edges knocked off, units were moved to a quiet sector on the front. After seasoning there they were ready for service in the more active portions of the line. Thereafter, until in the summer of 1918 it was necessary to hasten the period of training, each contingent was put through the same routine. Officers received special instruction in schools for the various arms. On the morning of June 26, 1917, the first American troop convoy docked at St. Nazaire, at the mouth of the Loire, with the 16th, 18th, 26th and 28th regiments of the regular army and the 5th regiment of the Marine Corps, loaned by the navy. While there had been an attempt to torpedo some of the vessels in this convoy the whole movement had been effected without accident. After inspection and after a battalion had been reviewed in Paris the command was moved to Gondrecourt in the department of the Meuse and billetted in several small villages.

Beginning of Active Service

The first action seen by American troops occurred in what is known as the Third Battle of Ypres which took place in successive movements over an extended period between July 31 and November 10. In the British attack on Cambrai the Eleventh Engineers had their baptism of fire. All hopes of pressing things to a finish in the summer of 1917 came to an end with the collapse of Russia which released large numbers of Germans from the eastern front to join with those on the western. It was then that America was called upon to do her part. By December 31 there were 176,665 men in France but as yet only one division had been on the front.

Against the advice of the Allied command General Pershing stuck to his original plan of having his men eventually act as an American army, and resisted all pressure to have his forces permanently brigaded with British or French, although, until the late summer of 1918 his plans, in their essential entirety, were not carried out. Meantime, partly to raise the *morale* of the Allied forces, and more to strengthen the line wherever it was possible, American divisions were put at the front. On January 19, 1918 the First Division, composed of men from the regular army, took over a sector north of Toul; in February the Twenty-sixth (New England National Guard) was stationed on the Soissons front and the Forty-second (Rainbow Division, National Guard from all over the union) near Luneville; and in March the Second Division (regular army) was placed on the Verdun line.

As had been the case from the beginning of the war the west front was relatively quiet during the winter, but it was known that a new German offensive was planned for the spring of 1918. On March 21 it came. A blow was struck toward Amiens on the old Somme battlefield, and for a time the advance seemed irresistible, for a penetration of 56 kilometers brought the enemy close to Amiens and dangerously near Paris. Again the Allied governments urged upon Washington the utmost speed in sending forces with the result that American infantry and machine-gun units were given preference in transportation. On April 9 another German offensive drove into the British lines some 40 kilometers along the river Lys near Armentières, forcing the evacuation of

Passchendaele Ridge which had been gained by the British a little earlier. Again a call was sent to Washington for hastening the American forces, and again the American command was urged to amalgamate its troops with those of the Allies. The result was an agreement whereby, without giving up Pershing's original plan, a temporary measure to meet an emergency was adopted by which the infantry and machine-gun units were put in training and to the support of the British and French "with the understanding that such infantry and machine-gun units were to be withdrawn and united with its own artillery and auxiliary troops into divisions and corps at the direction of the American Commander-in-Chief after consultation with the Commander-in-Chief of the Allied Armies in France." Again came a German attack, this time in an unexpected area and as a complete surprise, between the Oise and Berry-au-Bac on a front of 35 kilometers. The drive reached the Marne, a distance of 50 kilometers, in four days, and drove a huge salient into the Allied lines. The successes of the Germans brought about a change in organization whereby General Foch was placed in supreme command of all the Allied and American forces, a move which was approved by President Wilson on April 16.

At the time the March drive started there were about 300,000 American troops in France, and of these four combat divisions, equal in numerical strength to eight British or French divisions, were available for active service. Accordingly these four began taking over inactive sectors. The First Division relieved a part of the French forces near Montdidier and in May captured some important points on the heights of Cantigny, aided by French troops which were soon withdrawn to help meet the new German offensive aimed at Chateau-Thierry. Violent German efforts to recapture the Cantigny positions failed. The Thirty-Second Division (National Guard of Wisconsin and Michigan), which had arrived in France but recently and had not completed its training, was put in the line in the Vosges along with the Fifth (regular army) which was likewise incomplete and but slightly trained. The Third Division (regular army) was in its training sector, while the Twenty-eighth (Pennsylvania National Guard) and the Seventy-seventh (National Army recruited chiefly in New York City) had been brought to the

British area. Six other divisions were on their way to the front.[1]

Chateau-Thierry

When the third German offensive began the Second Division was in reserve preparing to relieve the First. It was hastily thrown into the line at Meaux on May 31 and helped strengthen a dangerously weak point where the French and British armies made contact and was instrumental in stopping the German advance toward Paris on the Chateau-Thierry road near Montreuil-aux-Lions.[2] As soon as the German advance was checked the Americans counterattacked and captured Belleau Wood after severe effort, and then took the village of Bouresches and, on July 1, the town of Vaux, all in the face of the most desperate resistance. Meanwhile the Third Division with its motorized machine-gun battalion had been turned over to assist the French and this unit reached Chateau-Thierry in time to help prevent the Germans from crossing the Marne. Further American assistance came when the Second Corps was released by the British, and the Seventy-seventh and Eighty-second were sent to the front line with the British in order to release the Twenty-sixth and the Forty-second to aid the French. The first Division, after its exploits about Cantigny, continued on the offensive and took some 3500 German prisoners and much *matériel* near Soissons, while the Second advancing eight kilometers, took 3000 prisoners and 66 field guns before it was relieved by the French. Other American divisions participated in the Marne defense and subsequent offensive. The Fourth and Twenty-sixth, under Major General Hunter Liggett, with the aid of a French division, captured Torcy and got as far as the Chateau-Thierry-Soissons road. The Forty-second pushed through the Forêt de Fère and crossed the Ourcq river and was advancing toward the Vesle before it was relieved. The Third was advancing toward Roncères Wood when the Thirty-second, with some units from the Twenty-eighth, took up the work and pushed on with the Forty-second toward the Vesle. When the operations about the Marne salient ended in the early part of August the First and Third Corps held a front of eleven kilometers and their members were seasoned men.

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[1] Fourth (regular army), Twenty-seventh (New York National Guard), Thirtieth (National Guard of Tennessee, North and South Carolina), Thirty-third (Illinois National Guard), Thirty-fifth (National Guard of Missouri and Kansas), Eighty-second (National Army from Georgia, Alabama and Tennessee).

[2] Reports were not allowed to give numbers of units when sending press dispatches home, but by inadvertence the censor let the news go through that the marines had been in the engagement. Accordingly it was popularly believed that the marines alone filled the gap and stopped the drive. The recruiting corps for the marines played up the news to add additional members to their force. As a matter of fact they were 6000 of that division and while their work was important it was no more so than that of the rest of the division.

In the middle of August under General Petain an offensive was undertaken toward Rheims and the Oise river, and the Third Corps, with the Twenty-eighth and Seventy-seventh divisions, participated until September 7 when the corps was divided, the Seventy-seventh remaining on the Aisne river for ten days more and the Twenty-eighth being withdrawn from the line. North of Soissons the Thirty-second division, after being relieved on the Vesle, participated in the last days of August with the French in an attack which reached the Chauny-Soissons road.

Saint Mihiel

By the early part of August it was evident that the crisis which had forced the plans for an American army into the background was over. Actuated both by the desire for a united command and by the fact that supply and replacement were made very difficult when American troops were scattered from one end of the western front to the other, on August 9 Pershing arranged with Foch for an early transfer of the French sector of the Woevre, extending from Nomeny, east of the Moselle, to north of St. Mihiel. Divisions with all their units were quietly concentrated. The first operation, decided upon at a conference of all the commanders-in-chief of the Allied forces on July 24, was to reduce the so-called St. Mihiel salient. If successful this would make it impossible for the Germans to interfere by their artillery fire with the traffic on the Paris-Nancy road, and at the same time would make a base for an attack against the Metz-Sedan railroad, one of the principal arteries which connected the forces on the German west front with their bases. Moreover the command of this road would threaten the important Briey iron basin. Early in the war the Germans had been stopped in their advance against the French by the failure to capture or reduce the fortress of

Verdun and its outworks, consequently from 1914 to 1918 all the active fighting of the west front had occurred east of this point. South from Verdun along the Meuse river far enough to include St. Mihiel on the west bank of the river there remained a salient which was a constant menace to the French. During 1915 the French had made several attempts to reduce it but, in spite of costly effort, the situation had remained relatively unchanged. But if the French were unable to take St. Mihiel and straighten out their line, the Germans no less had failed to take Verdun, the key to the whole sector. In 1916 a determined attempt to reduce Verdun had cost the Germans nearly half a million men, and still the place held. Nevertheless, since the main railroad to Paris ran up the river toward Toul, communication by that route was cut off for the French, and the other line was so close to the German lines that it was under constant shell fire.

By the night of September 11 nineteen divisions had been assembled, fifteen American and four French, and of these thirteen were selected for attack while the others were held in reserve. On the western side of the salient, south of Verdun, the First Army Corps under General Liggett was to push east when the Fourth Corps under General Dickman struck northwest on the eastern flank. As soon as it was light on the morning of September 12 after four hours of terrific artillery fire the troops "jumped off." By night they had reached their objectives. At the close of the next day the two Corps had made contact and the salient was no more. Over 16,000 German prisoners were taken together with large quantities of supplies, although the enemy had destroyed as much as was possible. The rapidity of the action demonstrated not only the wisdom of General Pershing in insisting that the American forces should be trained for offensive movements, but showed that the Germans did not expect that they would be able to hold this wedge and had sent few reinforcements to the aid of the divisions stationed there.

The Meuse–Argonne Sector

With both the Marne and the St. Mihiel salients eliminated and with the Germans on the defensive all along the line there began a hammering throughout the whole length of the western front. According to plans the First American army took over completely the sector extending from the Meuse north of Verdun to the middle of the Forest of Argonne where it made contact with the Fourth French Army, a front which had remained practically the same from early in the war. In order to prevent the Germans from shifting their forces from one point to another the Allied commanders had determined to launch an attack on very nearly the whole western front, from the North Sea to the Vosges, while simultaneous drives were carried on against the Bulgarians in Macedonia and the Turks in Palestine.

To the American forces fell the task of penetrating a front which had not changed between the fall of 1914 and the action which reduced the St. Mihiel salient. The significance of the operation is indicated in General Pershing's report:

> The strategical importance of this portion of the line was second to none on the western front. All supplies and evacuations of the German armies of northern France were dependent upon two great railway systems—one in the north, passing through Liege, while the other in the south, with lines coming from Luxemburg, Thionville and Metz, had as its vital section the line Carignan-Sedan-Mezières. No other important lines were available to the enemy, as the mountainous masses of the Ardennes made the construction of east and west lines through that region impracticable. The Carignan-Sedan-Mezières line was essential to the Germans for the rapid strategical movement of troops. Should this southern system be cut by the Allies before the enemy could withdraw his forces through the narrow neck between Mezières and the Dutch frontier, the ruin of his armies in France and Belgium would be complete.

The natural terrain strengthened the German defenses. The heights along the Meuse protected the German left and allowed oblique fire on the western bank of the river. On the Argonne flank elaborate batteries could deliver a cross fire which would wither any forces seeking to advance between the two positions. Excellent machine-gun positions were taken advantage of along the ridges which bordered the Meuse and the Aire. In addition to all this, portions of the country, especially in the vicinity of Montfaucon, were heavily wooded and rugged in contour.

The American divisions were withdrawn from the St. Mihiel sector as fast as they could be spared and concentrated behind the front which it was proposed to attack. All possible secrecy was preserved in order that the Germans might not get wind of what was going on and bring in additional forces to supplement the divisions already there. Dividing the seventy-two miles of front which stretched from the Argonne Forest to the Meuse into three parts, each was assigned to an army corps. The Third, with its right flank on the Meuse, took the eastern sector, the First covered eastward from the Argonne, while the Fifth filled the gap between the two.[1] These nine divisions had a rifle strength of 108,000 men, a large portion of whom had had no active service and some had never before been under fire. Behind the nine divisions were six in reserve, four of which were veterans, while the other two had been a month in the Vosges area.[2] All told the American forces in this battle, including reserves, auxilliary troops, etc., amounted to 630,000 men. 138,000 French were associated with the Americans. Opposed to them were 607,000 Germans entrenched in as elaborate defensive works as had been constructed anywhere along the front. Between the North Sea and Verdun, a front of 203 miles, the Allied forces numbered over 2,000,000, and this force was to strike almost simultaneously in order to cut the German lines and so make their retreat impossible, or drive them out of France and Belgium.

THE MEUSE–ARGONNE DRIVE

At eleven o'clock on the night of September 25, 3,928 guns began the bombardment of the German lines opposite the American sector; all calibres from French 75's (three-inch) to fourteen-inch navy guns mounted on railway flatcars hurled shells which tore to pieces barbed wire entanglements, concrete emplacements and trenches which stretched back for miles. For six hours the preparation went on, and then, at 5:30 A. M., the combat divisions jumped off in the rear of a travelling barrage. The

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[1] The Third Corps comprised the 33rd, 80th and 4th Divisions; the First had the 35th, 28th, and 77th; and the Fifth had the 79th, 37th (Ohio National Guard), and the 91st (West Coast National Guard).

[2] The 1st, 3rd, 32nd, and 82nd (All American National Army) had been in major actions. The 29th (Blue and Gray National Guard) and the 92nd (colored National Army) had trained in the quiet Vosges sector.

250,000 shells had so wiped out the defense that practically no resistance was met by the attackers during the first day. Overhead more than five hundred airplanes manned by French and American aviators swept the sky clear of German airmen and added to the destruction by directing the artillery fire and by cleaning up the machine-gun nests which had withstood shell fire. The attacking forces advanced to the foot of Montfaucon where, with the artillery far to the rear, they were checked for a time and held up the advance on either flank. At every other point, however, the objectives which had been set for the day were attained when night fell, with an average advance of four miles. By noon of the twenty-seventh Montfaucon was taken and the hill became as valuable an observation point for the Americans as it had been before for the Germans. On September 26 the Thirty-third was on the Meuse exposed to a withering fire from the German batteries on the heights. On the second and third days of the drive the German resistance stiffened for they wished to save as much as possible of their war supplies. On the morning of the 28th they counterattacked against the 80th Division but made no gain and, in turn, the 80th pushed on to take the town of Brieulles but was unsuccessful. On the left the Seventy-seventh with the French First Division was slowly working its way through the Argonne Forest. The first phase of the Meuse-Argonne drive ended on October 3, although from the first of the month little had been done except to clean up certain points or to even out the line. One of these attempts brought Major Whittlesey with six companies of the 308th Infantry into a ravine a mile ahead of the forces on either side with the Germans on the heights all around. By this time the central Empires were feeling the pressure at every point. The Bulgarian forces in Macedonia had surrendered on October 1; the British had captured St. Quentin on the second and Armentières on the third; while the French had pressed forward almost to Rheims. Down in Palestine General Allenby had taken Damascus from the Turks.

On the morning of October 4 the second attack was started. By this time the American forces had come in contact with the positions which the Germans determined to hold at all costs, so the advance was slow and made in the face of desperate fighting. More divisions were brought from the St. Mihiel sector where the front was becoming stabilized. It was necessary to force the enemy from the heights above the Meuse and at the same time oblige him to send to that region assistance from other portions so that they would be less strongly held. In spite of strong fortifications and strenuous defense the end of the first day's fighting had advanced the Americans some six kilometers and was driving the Germans slowly from the Argonne. More men were drawn in, particularly certain divisions which so far had been operating with the British or French, for now they were needed more with the American Army than with the Allies. All told more than 1,000,000 men were in the First Army holding a front of over 120 kilometers. This was too large a force and too great an area for a single command, so, on October 12, the district between Port-sur-Seille to Fresnes-en-Woevre was given over to the Second Army which had recently been organized under the command of Lieutenant General Robert L. Bullard, while General Liggett assumed control of the First Army. From headquarters established at Ligny-en-Barrois General Pershing directed the combined movements. The second phase of the Meuse-Argonne attack was over and since September 25 a maximum advance of 17 kilometers had been made, and the Hindenburg Line was broken. While heavy fighting occurred at isolated points the remainder of October was devoted to stabilizing the new front, replacing exhausted with fresh divisions, making roads and establishing communications. So heavy had been the demands, however, that units were not withdrawn until the last possible ounce of force had been extracted, for replacements were not coming fast enough to allow the customary interchange. Moreover, the cost of man power of the drive had been very great. Nevertheless "every member of the American Expeditionary Forces," wrote General Pershing, "from the front line to the base ports, was straining every nerve. Magnificent efforts were exerted by the entire Service of Supply to meet the enormous demands made upon it. Obstacles which seemed insurmountable were overcome daily in expediting the movements of replacements, ammunition and supplies to the front, and of the sick and wounded to the rear."

THE FINAL DRIVE

The drive for the Carignan-Sedan-Mezières railroad was to have been started again on October 28 but to allow the French Fourth Army time to attack simultaneously it was delayed until November 1. From then until eleven o'clock on November 11 the drive went forward. Only the First Army, however, participated as a unit to the end of this final movement, for, at the request of General Foch, six divisions of the Second Army were withdrawn from the front on November 5 in order to be ready to assist the French in a proposed attack toward Chateau-Saline on November 14. The armistice made unnecessary this projected movement. General Pershing summed up the results of this offensive in this way:

> Between September 26 and November 11, 22 American and 4 French divisions, on the front extending from southeast of Verdun to the Argonne Forest, had engaged and decisively beaten 47 different German divisions, representing 25 per cent. of the enemy's entire divisional strength on the western front. Of these enemy divisions 20 had been withdrawn from the French front and 1 from the British front. Of the 22 American divisions 12 had, at different times during this period, been engaged on fronts other than our own. The First Army suffered a loss of about 117,000 in killed and wounded. It captured 26,000 prisoners, 847 cannon, 3,000 machine guns, and large quantities of material.

While the active fighting ended on November 11 that did not mean that the doughboys would return home immediately. According to the terms of the armistice the Allies were to occupy the west bank of the Rhine, together with certain bridge heads east of the river. To the American army was assigned the region of Trèves and the bridgehead at Coblenz. Finding it not desirable to use either the First or the Second as the Army of Occupation, a Third Army, plans for which had been made before the armistice, was given this duty. To it were assigned the First, Second, Fourth, Fifth, Thirty-second, Forty-second, Eighty-ninth and Nintieth divisions, and the Sixty-sixth Field Artillery Brigade, together with the staffs of the Third and the Fourth Army corps. On November 17 the Third Army began its advance toward the Rhine. When the German frontier was reached a halt was made until the first of December in order that the troops of all the Allies might cross at the same time. General headquarters were established at Coblenz with advance headquarters at Trèves. Eventually all of the forces within the Duchy of Luxembourg, through which ran the American line of communications, were placed under American command and Luxembourg became a part of the American Zone.

Returning the A. E. F.

With the war over and an Army of Occupation on the Rhine the immediate problem was to get the remainder of the forces back to the United States. There were over two million men in France then, and not only was it desirable to get them home as quickly as possible for their own peace of mind, but every moment soldiers remained in France the cost, except for the Army of Occupation, increased the burden which would ultimately fall upon American taxpayers. By December 21 the War Department cabled that the A. E. F. should begin to return at once and that units should be sent back across the ocean as rapidly as transportation could be provided. Most of the embarkations were from Brest, St. Nazaire and Bordeaux, with Havre and Marseilles added later to utilize French and Italian steamships. Embarkation camps had to be constructed, but, with all the facilities it was possible to secure, only 55,000 men could be accommodated at Brest where the largest boats could be docked, 44,000 at St. Nazaire and 130,000 at Bordeaux. A little later a central embarkation center was established at Le Mans to accommodate 230,000, and from this nucleus the returning men were fed into the camps at Brest and St. Nazaire as fast as they could be handled. By May 19, 1919, except for those in the Army of Occupation all the combat divisions were under orders to go to the ports of embarkation, and by January, 1920, the last American soldier not retained for service on the Rhine had started from France.

While the mass of American soldiers had been sent to France there were a few units employed elsewhere. Soon after the United States came into the war the Italians requested military assistance on their front, but such was the pressure in France that only one regiment with its customary auxiliaries could be spared. This was primarily for the influence it would have on the spirit of the Italian army and people. This regiment, the 332nd Infantry, reached the Piave front in July, 1918, and took part in the final crushing of the Austrian armies.

In July, 1918, at the instance of the Supreme War Council, a few men were sent to northern Russia. It was felt that it was necessary to prevent the Germans from employing northern ports of entry and that the supplies which had been sent to Russia earlier should be kept out of the hands of the enemy. Accordingly a company of infantry, some engineers, a Field Hospital company and an Ambulance company very soon were sent by the way of England to help guard the northern Russian ports. Under British command they participated in several minor engagements with the Bolshevists while guarding a front of some 450 miles. Later two companies of railroad troops were added, but within a month, in May, 1919, their withdrawal was begun, to be completed, except for a small detachment, by the end of August. Another somewhat larger contingent was sent to co-operate with the Japanese in Siberia. Here it was feared that the Bolshevists would not only get a foothold but might materially aid the cause of the Central Empires by their activities. No French or British forces were available to send with the expedition so the task fell to Americans and Japanese. Some assistance was rendered to the White armies in Siberia, but on the whole little influence one way or another was exerted by this move.

Activities of the Navy

Having no opportunity to play a decisive part in as spectacular a manner as the army the navy was, nevertheless, an important factor in the final outcome. It took part in no great sea engagements, nor did its men have their longed-for chance of coming in contact with the German High Seas Fleet. Its duties were of a less picturesque though no less arduous type, consequently it had little of the publicity which attended the exploits of the army. It furnished the convoys by means of which over two million men were sent overseas without the loss of a man due to enemy activities, although four transports were torpodoed and sunk on return voyages. It manned transports and colliers; it helped patrol the North Sea and other submarine-infested waters. Its men steamed thousands of miles in the nastiest of weather.

As soon as war was declared a detachment of destroyers was sent to European waters under the command of Rear Admiral Sims, at the time president of the Naval War College. No sooner had the squadron arrived at Queenstown than it announced its readiness "for business." Immediately the duty of patrolling the waters around Ireland and of escorting merchantmen through the dangerous zones began in earnest. Next a squadron was stationed at Brest to perform the same sort of service there. Since the greater portion of the A. E. F. went directly to French ports the station at Brest became one of the most important bases. Still another group operated out of Malta seeking out the submarines in the Mediterranean. A base for submarine chaser flotillas was located at Ponta Delgada in the Azores, since most of these small craft were sent across by the way of Bermuda and the Azores. Gibraltar was another base for destroyers, gunboats, submarine chasers, cruisers, and converted yachts. The work of patrolling and convoying was about as arduous as any which fell to the "gobs." Ordinarily a patrol would be at sea for four or five days and then return to its base for a few days rest. The U. S. S. *Kimberley*, a destroyer, in the month of June, 1918, steamed 7,019 miles and was at sea two-thirds of the time. During the first year of the war the *Porter* steamed 64,473 miles, and several others made nearly as good a record.

Partly due to the representations of Admiral Sims it was determined, in the summer of 1917, to have the navy represented by more than small craft. Accordingly Division nine, composed of six battleships under the command of Rear Admiral Hugh Rodman, reported for service with the British Grand Fleet, and remained with it until the surrender of the German High Seas Fleet. Division Six, with three battleships, was stationed at Berehaven, Ireland, and had for its chief duty the protection of convoys from raiders. While there was no major or even minor naval action involving any considerable number of American vessels, there were individual encounters, mostly resulting from patrolling, and one destroyer and an armed yacht were sunk by torpodoes, while a cruiser was sunk by a mine. In one way or another, several auxiliary vessels were lost, including the collier *Cyclops* which mysteriously disappeared while returning from South America and after having touched at Barbadoes for coal. One notable contribution of the American navy during 1918 was planning and helping carry out the mining of the North Sea to hamper submarines. 100,000 mines were manufactured in the United States and shipped abroad; these were sown in an area 245 miles long and 20 miles wide, eighty percent of the laying being by American vessels.

While a considerable portion of the naval forces of the United States was stationed in European waters, the remainder, divided into four service groups, was scattered in various parts of the world. One of these was the Atlantic fleet, another the Pacific fleet, and a third fleet was stationed in Asiatic waters. The fourth service was the coast patrol for which all kinds of vessels were drafted into service. Considerable importance was attached to the Coast Patrol for, at the beginning of the war, there was much apprehension lest large fleets of submarines should operate off the American coast, and, perhaps, threaten undefended coast towns. The exploits of the U-56 the previous summer had made it clear that such things were within the realm of possibility. Nothing, however, occurred until May, 1918, when a submarine appeared off Cape May and, during the next three weeks, ranged up and down the coast destroying a considerable number of vessels, including the *Carolina* which ran between Porto Rico and New York. On June 19 the cruiser *San Diego* was sunk off Fire Island by a mine believed to have been dropped by a submarine. In the latter part of June considerable anxiety was aroused by two, or perhaps three submarines which were presumed to be responsible for the loss of two merchant vessels.

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There is a growing volume of writing on various phases of the war. Many states have or are compiling accounts of what their particular contingents did, and works depicting individual observations are numerous.

The accounts in *Current History* are good summaries of the progress of the fighting and many other magazines give much detail.

CHAPTER XXVIII

THE PEACE TREATY

No sooner had the declaration of war been signed and the preliminary moves for military participation been taken than President Wilson began to lay the foundations for peace. As he had said to congress on April 2, 1917, the United States was warring against the German government and had no quarrel with the German people. On the other hand some of his expressions were addressed equally to the Allies for he had in mind no peace of annihilation. "Punitive damages," he said, "the dis-memberment of empires, the establishment of selfish and exclusive economic leagues, we deem inexpedient." While no immediate results came from his efforts so far as Germany was concerned, later there was evidence that the liberals in that country turned more and more to Wilson to guide them toward peace without destruction. During 1917 there was some hope that Austria might be separated from her associate but the efforts of the Allies to that end were fruitless. Peace, however, continued to be talked in spite of the Austrian failure and when, in the fall of 1917, the ultimate collapse of Russian resistence was known to be close at hand, there was considerable feeling that all the warring nations might reach an agreement.

THE FOURTEEN POINTS

President Wilson took the opportunity to express once more his hopes regarding the ultimate solution. On January 8, 1918, in an address to both houses of congress, he formulated his famous fourteen points, stating that he desired "open convenants of peace openly arrived at." In the second point he demanded "absolute freedom of navigation upon the seas outside territorial waters alike in peace and war." He emphasized the removal of economic barriers between nations, guarantees for the reduction of armaments, "free, open-minded and impartial adjustment of all colonial claims," the evacuation of Russia, and a free opportunity for that country to come to economic and political equilibrium. He advocated the evacuation and restoration of Belgium. France, he said, should have the "wrong done . . .by Prussia in 1871 in the matter of Alsace-Lorraine" righted; Italy should have its boundaries readjusted "along clearly recognizable lines of nationality;" the various nationalities of Austria-Hungary ought to be given an opportunity for self-government and development; the Balkan countries must be evacuated, Serbia given access to the sea and international safeguards established to maintain the independence and integrity of these little nations; the Turkish people must be confined to the purely Turkish portions of the Ottoman empire while subject nationalities should be freed, and at the same time the Dardanelles must be open to all nations. "An independent Polish state should be erected which would include the territories inhabited by indisputably Polish populations," and the Poles must have access to the sea. Finally "a general association of nations must be formed under specific covenant for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike." He renewed his plea that there should be no crushed Germany, and subtly hinted that a change in German governmental organization would facilitate world readjustment. He said, as he had many times before, that the United States demanded no material reward for its participation in the war.

The speech of the fourteen points, general in terms as it was and seeming to promise many things which could not be guaranteed by any one, was, after all, the statement of the aspirations of a war-weary world. Nevertheless the dominant party in Germany was still too firmly entrenched to permit the struggle to cease. Ludendorff and Von Tirpitz continued to direct the military and naval policy of ruthlessness. The absolute overwhelming of the Russians and the treaty of Brest-Litovsk, relieving as it did thousands of men from the Russian front, made it possible to shift to the western front all Austrian and German power in order to strike a final blow before the Americans could come in sufficient numbers to help turn the tide. But, when the drive failed and the Germans were on the defensive, changes within Germany came rapidly. The spirit of the German people was broken. This was made manifest in the fall of the government and the elevation of Prince Maximilian of Bavaria to the chancellorship. In September Bulgaria was out of the war and Foch's tactics meant that the Hindenburg line was doomed to break and the German armies would either be crushed or driven out of France and Belgium. The result of internal dissatisfaction and external disaster brought to President Wilson on the fifth of October a request from the German government for an armistice. The Austro-Hungarian government already had, in the middle of September, formally asked the allies to send delegates to a peace conference.

PRELIMINARIES OF PEACE

When the first German peace note came to Washington, President Wilson faced a difficult problem. From its terms it was apparent that Germany expected to be treated in the peace conference as an equal, not as a defeated nation. This, President Wilson very well knew, would not suit the temper of either his own or the allied peoples. On the other hand, if Germany sincerely wished peace, no justification for further sacrifices could possibly be made. Accordingly his first response to the peace proposal contained two questions and a condition: was the German government willing to accept, as fundamental basis for an agreement, the fourteen points? Did the Chancellor speak for the German people or was he the mouthpiece of an autocratic government? The condition was that German armies must retire from Belgian and French soil. On October 18 came the German reply. It admitted at once that the occupied territory would be evacuated. It agreed to the fourteen points as a basis for discussion and, in somewhat vague terms, gave the impression that Prince Maximilian spoke not only for the government but for the people who controlled the government. Thereupon the President took up the matter with the Allies. They, too, reluctantly agreed to make the fourteen points a basis of negotiations with reservations, however, on the second point, the freedom of the seas; furthermore the Allies insisted that there must be reparations "for all damage done to the civilian population of the allies and their property by the aggression of Germany by land, by sea, and from the air." Events in Germany seemed to indicate that a change had come over the people so long dominated by the Hohenzollern ideals. An uprising forced the Kaiser to flee for refuge in Holland, while the government was changed, in form at least, from a monarchy to a republic.

While on the surface there seemed to be fundamental agreement as to the ultimate basis for peace, conditions actually were far different. Four years of war had engendered the bitterest of feelings and there was a group in England, and in France particularly, a group not without representatives in the United States, which desired to see Germany forced to her knees, preferably after the German people had suffered from an invasion similar to that which had taken place in France and Belgium. Revenge, rather than a lasting peace, seemed to be the immediate desire. But, on the other hand, there were certain large elements of the population of all these countries, weary of war, who wanted hostilities to end and end so that seeds of new wars would not be sown. Not many of this latter group were to be found among the active spokesmen of the represented governments, but the latter were astute enough to realize that their position would be very difficult if they brought forward boldly the thing which they had in their hearts. Playing the game safely, then, they apparently fell in with President Wilson's suggestions.

Now that all the belligerents were willing to approach the peace table steps were taken to outline the terms of an armistice and, on the 7th of November, German envoys were received to be given the conditions. Military operations on the land and in the air were to cease six hours after the signature of the armistice. All the invaded portions of Belgium and France, Luxemburg and also Alsace-Lorraine were to be evacuated as rapidly as possible, and down in the southeast German troops were to withdraw from all the territory which had belonged to the Austro-Hungarian empire, from Rumania, and from Turkey. Allied prisoners in Germany were to be released and sent back to their respective countries as soon as facilities might be provided. Beginning immediately upon the signature of the armistice, reparations were to be made in materials turned over to the Allies. The German forces were to withdraw immediately to beyond the right bank of the Rhine and simultaneously Allied and United States troops were to advance to the Rhine and take a position along the left bank and hold the bridge heads at Cologne, Coblenz, and Mayence. All submarines were to be surrendered to the Allies and the United States, while of the other war vessels some were to be surrendered forthwith and the rest retained until their fate should be determined. The Allied blockade was to continue until further negotiations and any Germany merchantmen found at sea were subject to capture. The armistice was to last thirty days but was renewable at the option of the Allies. The terms were hard, yet they were not as severe as General Foch desired.

AMERICAN OPPOSITION TO WILSON

For more than a year President Wilson had been the spokesman of the liberal groups of the world. Down to the time when the military victory of the Allies and the United States came to be assured it appeared that he was representing the sentiments of the people of his country, but, while the armistice negotiations were in progress opposition to his leadership was developing. An indication of this came in the congressional elections of November. Shortly before this the president had, after consultation with Colonel House, issued an appeal to the electorate to return a Democratic majority to congress. "This is no time for divided counsel or for divided leadership." No unusual or unprecedented thing was this appeal. President Lincoln in 1864 had asked for the return of a Republican congress. President McKinley and Colonel Roosevelt in 1898 had said that it would be a disaster to change the majority in congress before all the questions from the Spanish war were settled. Nevertheless, from a point of view of strategy, President Wilson's appeal was a blunder, for immediately a cry arose that he was charging Republicans with being less patriotic than Democrats, that he was making the war and the peace partisan measures. The effects of this criticism were seen when the elections returned a considerable majority of Republicans to the house and a small majority to the senate. Whether or not the results would have been essentially the same had the president not made his appeal, it remains true that there was an increasing element which chafed under the president's leadership. In part this was due to his being a Democrat. In part it came from his propensity for playing a lone hand. In still greater degree was it a reflection of the loss of that idealism which had been manifest in the earlier stage of the war. Colonel Roosevelt expressed the sentiment of many when he wrote, "Our allies and our enemies and Mr. Wilson himself should all understand that Mr. Wilson has no authority whatever to speak for the American people at this time. His leadership has just been emphatically repudiated by them. . . . Let them [the Allies] impose their common will on the nations responsible for the hideous disaster that has almost wrecked mankind.

The Peace Commission

When Mr. Wilson selected the commissioners to represent the United States at the peace conference he exhibited those unfortunate characteristics which had frequently hampered him as president—a tendency to play a lone hand and an apparent reluctance to tolerate advice, especially if it implied a criticism of his own course. That he would go to Versailles himself was generally expected, although some thought at the time, and more have come to believe since, that he would have been in a stronger position if he had remained in Washington, removed from personal contact with representatives of clashing interests, to guide the activities of a strong delegation. Except for Colonel House and the president himself, the commission was not made up of outstanding men. General Tasker H. Bliss and Henry White were not considered by Republicans either sufficiently prominent or closely enough identified with the party to be made members, while Secretary Lansing, the third Democrat, was hardly a forceful character. With the commission the *George Washington* carried a large group of experts representing a force which had for over a year been gathering data for guidance in the negotiations.

On December 13 the *George Washington* reached Brest and from that port to Paris the president's reception was a veritable triumphal entry. He received an ovation in Paris. In England and in Italy, which were visited before the delegation formally met, he was the object of delirious acclaim. Ovations, however, were one thing; negotations, another. Delays, some of them easily understood, others exasperating in their unaccountability, prevented the conference from getting to work until January 12, 1919. All this time the reactionary forces had been utilizing discontent to stimulate opposition to the president and his plans. The very make-up of the French and Italian delegations did not give promise of meeting the president's views halfway. England's delegation, led by Lloyd George, contained representatives of both wings of opinion and it was observable throughout the conference that the English premier utilized whichever arm was calculated to produce the most—liberals if the tide was flowing in that direction, reactionaries if the other sentiment was uppermost.

Clashing Ideals

In order to understand what took place in Paris it must be borne in mind that there were two distinct sets of views clashing continually. One may be called the view resulting from the idealism which had been so pronounced in many ways during the war and which had been the basis of many of President Wilson's pronouncements. On the other hand, there were the older views based upon the principles of the Congress of Vienna or any other international conference during the 19th century. These principles emphasized the idea of seizing all that it was possible to get and yielding no more than necessary. However, the men who fought for the latter principles were not altogether blameworthy in supporting them. They were tied by what has sometimes been called the "old diplomacy." For example, there were the so-called "secret treaties." In 1915 Italy had been drawn into the war by England, France and Russia with definite promises embodied in a treaty which was made public in November 1917 when the foreign office archives of Petrograd were opened. But there were other secret arrangements such as the Sikes-Picot treaty and the agreement for the partition of Turkey. Furthermore, there was an arrangement with Japan providing for the future of Shantung and the partition of the German islands in the Pacific between Japan and the British empire. Some of these arrangements were known prior to the opening of the peace conference; others slowly emerged as various questions came up. Throughout the whole course of the struggle and during the conference itself the president had taken care to preserve the identity of the United States by referring always to the Allied and "associated" powers, thus emphasizing the fact that the United States was not bound by the arrangements which the Allies may have made. As he said in one of the meetings of the Council of Ten shortly after the conference started, "As the United States of America were not bound by any of the treaties in question, they are quite ready to approve a settlement on a basis of facts." And to this declaration the president attempted to remain firm. He recognized that these agreements were going to make an ideal peace impossible and that is one of the reasons why he insisted on incorporating the covenant for the League of Nations in the peace treaty itself.

The delegates of France, England, and Italy had placed themselves on record as favoring a league but in the temper of the times they preferred to leave such an idealistic conception to itself, and first go to work to secure the material gains of the war. It was on these very grounds that President Wilson insisted upon and succeeded in having the league incorporated in the treaty and so inextricably bound up with its terms that a separation could not be made. The league was raised from a subordinate to a principal position when the president himself served upon the sub-committee dealing with that subject and when he insisted on having its consideration taken up at an early date in the Council of Ten and the Council of Four.

As the end of February drew near and congress was about to close its session, the president felt it necessary to return to the United States not only to perform such administrative duties as devolved upon him when congress was coming to an end, but also to lay before the people the draft of the covenant. While he was absent from Paris the forces of reaction, which had lost in the struggle for the league, were able to concentrate their efforts and in considerable degree undermine the influence of the president.

It is impossible to go into a consideration of the many provisions of the treaty. It will suffice to call attention to some of the outstanding factors which influenced American public opinion when its ratification was up. When the covenant of the league was being framed the Japanese had one point upon which they insisted with great tenacity and this was a definite statement about racial equality. But this demand met with insuperable objection. In the first place President Wilson knew that congress would never admit an entering wedge whereby the racial question might be opened still wider in the United States; nor was the British empire any more ready to concede the principle demanded by the Japanese. Having lost their primary contention, the Japanese not only were more anxious to secure their other major demand but were in a position to force it upon the other delegations through the threat of refusing to sign the treaty if their wishes were not granted. This was that the arrangements secretly entered into during the war regarding German possessions in the Pacific and in China should be carried out to the letter. President Wilson knew that the proposal to turn Shantung over to the Japanese would meet with almost insuperable opposition in the United States. On the other hand, he became convinced that the Japanese were in earnest when they said they would withdraw from the conference if their demands were not met. The result was that with certain verbal modifications, especially with a statement that it was the Japanese intention to hand Shantung back to China retaining only economic privileges granted to Germany, the president finally yielded, hoping that inequities would eventually be rectified by the League. A similar controversy arose over Italian claims. Here was another secret treaty by which certain territory along the Adriatic and up in the Alps was to be turned over to Italy at the expense primarily of Austria, but other factors complicated the situation, notably an enlarged Serbia with a desire for an adequate outlet to the sea. Such an outlet lay at Fiume, which had not been promised Italy, but, with a growing nationalistic sentiment behind them, the Italian delegates demanded not only the concessions of the treaty of London but Fiume as well. Here the president stood firm because he believed that the Italians were not in a position to wreck the treaty. For many sessions in the Council of Four and then with the withdrawal of the Italian delegation, in the Council of Three, the struggle went on. The president issued an address to the Italian people, appealing to them over the heads of their accredited representatives. In part he won his point for Fiume was not surrendered to the Italians and a line somewhat like that outlined by the treaty of London was adopted; continued agitation after the conference finally produced between Italy and Jugo-Slavia the treaty of Rapallo (1920) by which Fiume was made, at least in name, a free port.

If the struggles with Japanese and with Italian delegations were serious, there was a continuing clash between the president and Clemenceau, the head of the French delegation. It was a clash of ideals; Clemenceau represented the old diplomacy, Wilson the new. Clemenceau had no faith in leagues or other new-fangled contrivances. He and the majority of French people behind him knew what France had suffered and that there were certain things which France must gain. Combined with the desire for reparations was a tremendous fear, a fear that Germany in the future would once more rise against France. The only solution according to General Foch, who represented the ultra-militaristic group, was to establish a frontier on the Rhine and place such burdens on the German people that it would be generations before they could recover. As against this the president, ordinarily backed by the English delegation, maintained that in the League of Nations adequate guarantee would be found. But France was not satisfied, and finally a compromise was reached whereby less than the maximum demands were made by France in return for a tri-partite treaty between England, France and the United States which would guarantee France against aggression until the League should be functioning normally. In vain, however, were attempts made to fix definitely the amount of reparations.

In addition to the problems arising from the major nations there were scores of questions involving the small nations, old and new; Poland, Czecho-Slovakia, Jugo-Slavia, Greece, and others had interests which clashed with one or more nations. When it came to establishing a boundary even the experts found it impossible to draw a satisfactory line because it was impossible in every case to select a guiding principle. Then, too, there was the problem of minorities. What should be done with a region where one nationality slightly predominated over another was a question not easily solved, and the adopted suggestion of plebiscites opened the way for more quarrels. The conference as a whole, individual delegations, and members of delegations were bombarded by memorials, petitions and every sort of propaganda calculated to mold opinion. Everybody had an axe to grind and few, if any, could be satisfied.

Another problem involved in various of the other issues grew out of the German colonies. Here not only were the major units in the conference determined to secure indemnities but such organizations as the British colonies must be satisfied. Australia and New Zealand, in return for their participation in the war, demanded the German islands south of the equator in the Pacific. As an offset to this demand for division of the spoils, President Wilson sought to have them placed under the League and then under mandates subject to the administration of specified countries. Mandataries, however, might mean one of many things, and although the principle was accepted in the treaty, it was obvious then and afterward that it would mean little more than turning a colony over to a country for exploitation instead of having the administration guided principally by the idea of well-being of the colonials.

It was not until six months after the war was over that the treaty was completed. Of all of the things which the president had desired to put into it, the League alone may be said to represent anything like his desires. That, to his mind, was the saving factor in a document marked by many inequitable provisions. In particular the treaty, as was intended by most of the delegates of the conference, bore with a special hardship upon Germany which not only lost territory to France, to Poland, even to Belgium, but had placed upon her restrictions of an economic and military nature that were calculated to prevent any immediate restoration of national strength. It was an imposed peace and, as such, the Germans were forced to sign. The next problem, so far as the United States was concerned, was whether the treaty would be acceptable to the people whom the president was supposed to represent.

The League of Nations

Before the president returned to the United States a draft of the covenant of the League of Nations had been cabled to America and was in the hands of the senate on February 14. At once it was attacked, especially by most Republican senators. It would, they charged, destroy the Monroe Doctrine and make the United States subordinate to a "super-state." In spite of a conference which the president had with the Foreign Relations committee, where he answered questions and explained the document, the opposition did not abate. Just before the close of the session and as a culmination to the discussion a resolution was introduced by Senator Lodge wherein it was stated that it was "the sense of the senate that, while it is the sincere desire that the nations of the world should unite to promote peace and general disarmament, the constitution of the League of Nations in the form now proposed to the peace conference should not be accepted by the United States." Furthermore the resolution recommended postponing consideration of this proposal until the "urgent business of negotiating peace terms with Germany" be completed. Nothing would have pleased the French and Italian delegations in Paris more then to follow the advice of this resolution, but nothing was further from President Wilson's intentions. On parliamentary grounds the resolution was not received, but Senator Lodge, before objection was made, succeeded in reading the names of those senators who indorsed the sense of the proposition. They were thirty-nine in all, Republicans without exception, and thirty-nine made more than one-third the total senate. For fear that the completed treaty might be brought home with the senate not in session, thus giving the president and his plans a certain momentum, a filibuster was staged to prevent the passage of some half dozen appropriation bills, thus forcing the call of a special session.

As soon as the covenant was published discussion began generally. It appeared that there were large groups in the United States which shared the view of the Republican senators. Some were against the League because it seemed to derogate from the sovereignty of the United States or weaken the Monroe Doctrine; others opposed it because it was satisfactory to Great Britain; still others believed that, whatever its form or however it might work, things had not materially changed from the days before 1914 when it did not appear that America was vitally interested in the affairs of the world at large.

If outstanding men were against the League, there were equally prominent supporters. On the evening of March 4, just before he sailed again for France, the president addressed an enormous audience at the Metropolitan Opera house in New York. He came upon the stage arm in arm with ex-President Taft, who had from the beginning been one of the leading proponents of the league idea. The president explained in detail the principal features of the covenant, while Mr. Taft, who spoke first, answered some of the specific criticisms which had been made in the senate, and recommended the approval of the whole covenant without alteration. Article X [1] caused him no alarm: he did not feel that the United States was to be deprived of its sovereignty by any such compact, nor did he consider that the Monroe Doctrine was doomed. Even the representation of the British colonies as such in the body of delegates seemed to him a minor matter. A workable league without America was impossible, and if the war had been fought without some sort of constructive policy growing out of it, most of the sacrifice would have been in vain.

But the words uttered by such men as Lodge or Poindexter, or Reed of the president's own party, were bound to make more impression in European circles, especially governmental circles, where the president's views were looked upon as visionary. While Wilson was on the ocean news reached him by wireless that the forces of reaction were taking advantage of the situation to rush through certain matters so that when he reached Paris he would face a *fait accompli*. The net result of the whole episode, so far as the president's course in Paris was concerned, was to make his position infinitely more difficult. Not only was it clear that the treaty with the covenant an integral part stood a chance of defeat in the senate, but it was equally clear to the president as well as to others that some yielding must take place or the whole proposition would be lost.

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[1] Article X, "the heart of the Covenant" as President Wilson called it, read, "The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression, the Council shall advise upon the other means by which the obligation shall be fulfilled."

Article XI stated that "any war or threat of war, whether immediately affecting any of the Members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safe-guard the peace of nations." According to this article it was a "friendly right" on the part of any member to call the attention of the League to any act which seemed to involve possible disturbance of peace among nations.

Modifications, however, meant reopening some of the questions which had been closed, and this in turn would give those opposed to a strong league an opportunity to weaken it, for they would demand a *quid pro quo* in whatever was done. A short time after Mr. Wilson's arrival in Paris Mr. Taft communicated some suggestions which he thought would facilitate the ratification of the treaty in America.[1] These changes were, in part, incorporated in the revised draft: in the Council voting was to be by states and, except in matters of procedure, decisions must be unanimous; Article XXI specifically made reservations to allow recognition of the Monroe Doctrine. The French guarantee treaty was in part the price paid for the modification.

At home the senatorial filibuster had been successful in that it had made Mr. Wilson call the new congress in special session for May 19. With both houses under Republican control there was little difficulty in perfecting an organization. The reaction from the progressive movement was shown in the contest over committee appointments. While there was opposition to strict adherence to the seniority rule, nevertheless in the end the conservative group had its way; even the fight against Senator Penrose of Pennsylvania was lost and he became chairman of the important committee on finance.

The day after the organization of congress the president's message was cabled from Paris. He recommended legislation to care for the returning soldiers, the continuance of laws which would allow the shipping board to build up the American merchant marine, the repeal of war time prohibition, and passage of the resolution for the woman suffrage amendment. It was his opinion that more legislation was necessary to safeguard the dye and chemical industries in order that, now peace had come, the market would not be swamped with German products. The suffrage amendment was adopted by congress and submitted to the states, but most of the other recommendations, aside from those which had to do with appropriation bills, were lost sight of in the discussion of the peace treaty and particularly the League. The Republicans attacked the whole proposition as they had in the previous session while the Democrats generally supported it, although there were some of this party as bitter in their denunciations as their political opponents. In the course of the discussion the question of having the treaty submitted at once was raised. This brought from the president, on June 9, a cablegram in which he expressed his unwillingness to do so at the time. Thereupon the debate assumed even more violent aspects, and the senate received and incorporated into the records a copy of the treaty which had come into the possession of Senator Borah. The next day, June 10, Senator Knox introduced a resolution to the effect that the covenant should be separated from the rest of the treaty and each considered by itself. No vote was reached before the treaty was ready for submission to the German envoys, and the matter was dropped for the time, partly because of the argument that the discussion in Washington would undoubtedly encourage the Germans to delay signing.

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[1] The cablegram read as follows: "If you bring back the Treaty with the League of Nations in it, make more specific reservations of the Monroe Doctrine, fix a term for the duration of the League and the limit of armament, require expressly unanimity of action in executive Council and Body of Delegates, and add to Article XV a provision that where the Executive Council of the Body of Delegates finds the difference to grow out of an exclusively domestic policy, it shall recommend no settlement, the ground will be completely cut from under the opponents of the League in the Senate. Addition to Article XV will answer objection as to Japanese immigration as well as tariffs under Article XXI." Mr. Taft suggested the following as the reservation for the Monroe Doctrine: "Any American state or states may protect the integrity of American territory and the independence of the government whose territory it is, whether a member of the league or not, and may, in the interests of American peace, object to and prevent further transfer of American territory or sovereignty to any European or non-American power." Mr. Taft added that the Monroe Doctrine reservation alone would probably carry the treaty but the others would make it certain.

The Senate and the Treaty

Matters were far from simple when the president returned from Paris on July 8 with the completed treaty. Outside of congress a number of prominent Republicans including such men as ex-President Taft, Oscar Straus and George Wickersham, signed a statement to the New York senators in which they deprecated the partisan form which the discussion had assumed and urged ratification. From ex-Senator Elihu Root came a letter, addressed to Senator Lodge, suggesting that since the criticisms had not been sufficiently recognized in the new draft of the covenant the treaty be ratified with qualifying reservations. He mentioned specifically the possible omission of Article X, and reservations by which the United States might withdraw from the League at the expiration of a two-year notice, as well as one reserving from the League's consideration all purely domestic questions such as those relating to immigration. On July 10 the president went before congress with the treaty which he submitted after an address in which he explained many of the points which had been under discussion. Four days later, with the subject formally before it the senate once more resumed its debate. Senator Swanson, who was looked upon as the spokesman of the administration, urged immediate ratification without reservations. Senators Fall and Kellogg opposed this view and demanded qualifying amendments even though this might mean taking the treaty back to Versailles for modification. Meantime the committee of Foreign Relations, in which the Republican and Democratic members found themselves far apart, drafted resolutions which brought before the whole senate in a positive form some of the proposed solutions. Senator Lodge opened a field of inquiry by introducing a resolution calling for a copy of a treaty which was alleged to have been negotiated secretly between Germany and Japan the previous fall. Senator Borah asked for a copy of a protest against the Shantung settlement which he heard had been given the president by General Bliss, Secretary Lansing and Mr. White, while Senator Johnson desired to see a copy of the stenographic report of the various conferences of the delegates at Paris. Further to complicate the situation Senator La Follette wished to know whether the government of the United States had given tacit encouragement to Nicaragua in invading Costa Rica. Senator Lodge's resolution was adopted after sharp debate, and that of Senator Borah was approved at a later date in spite of the Democratic protests that such a thing was entirely contrary to the ethics of diplomatic intercourse.

While these things were going on in the senate the president had announced his desire to discuss the disputed issues with the Republican senators and on July 17 conferences began at the White House. Some hopes were raised in those who favored the League, but outwardly there was little sign of any weakening of the opposition. As the conferences went on, a somewhat different line was taken by the opponents of the administration. On July 19 it was announced that unless changes were made they had thirty-five votes which could be counted on to defeat the treaty, and it would take but thirty-three to cause its rejection. Furthermore, some of the opposition now insisted on amendments and not mere reservations. At the same time from Democratic senators who were considered to be in the confidence of the president it was intimated that "interpretative" reservations, which did not change the essential nature of the document, would not be opposed. From still another quarter came indications that the path of ratification might be smoothed for some of the Republican senators had word from influential Englishmen that Great Britain would not be opposed to reservations relating to Article X, to Article XXI, which dealt with the Monroe Doctrine, to withdrawal from the League, or to domestic questions like immigration or racial equality. In the meantime there had come up another complicating factor. The treaty provided for a Reparations Commission. On July 21 Senator Lodge, as chairman of the committee on Foreign Relations, received from the president a communication asking the senate to confirm the appointment of an American as a provisional member of this commission to participate in its work until the matter of the treaty should be settled. Nothing was done, because many, even among the Democrats, were of the opinion that the senate could not constitutionally approve a provisional appointment. The same men, nevertheless, did believe that the president could appoint a member to participate in the discussion although he would have no definite status.

By the latter part of July the line-up of the various factions was fairly clear. A majority of the senate, largely Democrats, would ratify the treaty as it stood. A second group of moderate Democrats and Republicans was ready to ratify with satisfactory reservations, while a small group of "irreconcilables" was against the whole proposition, reservations or no reservations. The task was to get the members of the first two groups together on common ground. As a step in this direction Mr. Taft, on July 20, wrote the chairman of the Republican national committee a letter in which he had drafted six reservations. In the senate, when the reading of the treaty was completed on July 24, it was announced that the Republicans were drawing up a set of reservations, while still others were proposed by Mr.

Hughes in a letter to Senator Hale of Maine. The "moderate reservationists" among the Republicans were attempting to formulate their ideas in such a way that they would command support, but they met their Waterloo when they tried to draft a reservation for Article X, although on the other topics they came to agreement without much difficulty.

THE SHANTUNG ISSUE

At this point appeared a new, or rather revived factor. On August 3 there was printed in a Japanese newspaper a communication from Viscount Uchida, minister for foreign affairs, in which his government outlined its stand on the mooted Shantung question. After its publication President Wilson issued a letter in which he commented favorably on the stand of the Japanese government, but, he went on to state,

> There are references in the statement to an agreement entered into between Japan and China in 1915 which might be misleading if not commented upon in the light of what occurred in Paris when the clauses of the treaty affecting Shantung were under discussion.

In his "comments" the president remarked that nothing he said in the course of the discussion over the Shantung question could be construed as agreeing, for the United States, to any kind of policy contained in any notes which passed between Japan and China in 1915 and 1916.

It is necessary to consider certain developments of an earlier date to get the setting of this Japanese question. After Japan entered the war in 1914, it was not a very long military task to wrest from the German defenders the concession at Kiao-Chau, with all its defensive works. At the time, as Viscount Uchida's communication noted, the Japanese government had virtually promised to restore this region to China. During the war, however, there came from time to time modifications of this original stand, so that it was generally understood that Japan might conceivably put forward a claim to continued possession of Shantung. Furthermore, in 1915, the Japanese government took advantage of the disrupted condition of the government under the newly established Chinese republic, to present to it the "Twenty-five" demands, the fulfillment of which would have placed China under what would amount to Japanese domination, and the whole province of Shantung would have become practically a Japanese dependency. Some inkling of what was going on leaked out but the text of the demands was not published, nor were the somewhat modified demands which the Chinese government felt itself constrained to accept in 1916.[1] On November 11, 1917, Secretary Lansing came to an understanding with Ambassador Ishii whereby the government of the United States recognized that territorial propinquity created special relations; the special interest of Japan in China, particularly in the parts near her coast, was conceded. Both powers agreed that the territorial integrity of China was not to be impaired, and the United States believed that Japan did not intend to discriminate against the trade of foreign nations in the regions where this special interest existed. The Lansing-Ishii agreement was, on the surface, an affirmation of the open door policy. That Secretary Lansing did not exactly know to what he agreed is quite clear in the light of subsequent developments. However, it must be remembered that the things which Japan had been able to force from China, and the secret treaty with England, France and Russia—the price of bringing Japan into the war—did not come out until the peace negotiations were in progress.

THE RESERVATIONS

On August 12 Senator Lodge presented five reservations to the senate. He denounced the covenant and the League which it proposed as a "political organization" intended to create an alliance dominated by five powers. He did not want America entangled in the affairs of Europe and he wished Europeans to leave the American continents alone. A week later, at the invitation of the president, members of the committee on Foreign Relations met with him and for three hours talked over various phases of the treaty, particularly those portions which had given rise to criticism. The much discussed Article X, the bearing of the obligations of the League upon the Monroe Doctrine, and the Shantung settlement were gone over in detail. On the latter point the president admitted that the arrangement was not what he desired, that he was unaware, before the negotiations began, that there had been a promise by the Allies that Japan should have Germany's rights and concessions in China. As to the criticisms which had been made earlier and which brought the suggestions from Mr. Taft and others, he believed that changes made after his return to Paris had removed most of the valid objections. However, those who went into the conference convinced that changes must be made came out with their opinions unchanged. Nor was much impression made by Mr. Wilson's explanation of the reasons for the guarantee treaty with Great Britain and France which he formally presented to the senate on July 29, although the committee on the judiciary reported that its terms were not in conflict with the constitution.

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[1] Secretary Lansing said that neither he nor the president were aware of the secret treaty until February, 1919.

Meantime in the senate itself the discussion of the peace treaty went on to reach a definite point on September 10 when a majority of the committee on foreign relations brought in a report recommending thirty-eight amendments and four reservations. The next day the Democratic members, excepting Senator Shields who did not sign the minority report, brought in their recommendations urging "the early ratification of the pending treaty without amendments or reservations." The amendments recommended by the majority report included two calculated to take away the voting power of the British self-governing colonies in the Assembly of the League; another would prevent the American member of the Reparations commission from voting on any questions in which the United States was not directly concerned unless directed to do so by his government. All the rest proposed to relieve the United States "from having representatives on the commissions established by the League which deal with questions in which the United States has and can have no interest, and in which the United States has evidently been inserted by design." The reservations were essentially those which had been previously proposed, having to do with withdrawal from the League, qualifying Article X, and taking from the jurisdiction of the League all questions which "in the judgment of the United States depend upon or relate to its long established policy, commonly known as the Monroe Doctrine."[1]

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[1] In the long discussion of the treaty by the senate the Monroe Doctrine was brought up by practically every senator. There were many definitions, but none met with general approval. Just what the "long established policy" was then, was matter of some doubt.

Wilson's Appeal to the Voters

Before these reports were brought in the president had determined to take his fight for the League to the voters themselves. On September 3 he left Washington and started on a trip which eventually took him to the Pacific Coast. In the twenty-seven days he was away from Washington he made some thirty speeches, for the most part in the states of senators who had been most vigorously opposing the treaty. One of the points which stressed most heavily was one which would answer the objection that under Article X the United States would be deprived of its sovereignty. "Every man," he said at Indianapolis, "who makes a choice to respect the rights of his neighbors deprives himself of absolute sovereignty, but he does it by promising never to do wrong, and I cannot, for one, see anything that robs me of any inherent right that I ought to retain when I promise that I will do right." As to the Shantung affair he said that Japan got just exactly what Germany had before, and that Japan had promised to restore China's political supremacy. The League was, he believed, advancing toward disarmament and would, in his opinion, help to make the world of the future more free from wars. The world was no longer a place where the United States could go its own course irrespective of what other nations were doing.

> To play a lone hand now means that we must always be ready to play by ourselves. It means that we must always be armed, that we must be always ready to mobilize the man strength and the manufacturing resources of the country. That means that we must continue to live under not diminishing but increasing taxes and be strong enough to beat any nation in the world, and absolutely contrary to the high ideals of American history. If you are going to play a lone hand, the hand that you play must be upon the handle of a sword.

The tour came to an abrupt end. When the president left Washington he was worn out with the strain under which he had been laboring for the past years and especially since the beginning of the peace conference. All the way out to the coast, however, none of those who heard his words would gather for a moment that he was near the end of his physical resources; only those who noted his drawn face at the end of the day could realize what a strain he was under and how he had to draw upon the very ultimate reserves of his strength to keep going. His path was not made easier by the news which reached him from Washington that Mr. William C. Bullitt, who had been somewhat associated with the delegation in Paris, stated in a hearing before the senate committee on foreign relations that Secretary Lansing had criticized the League of Nations severely. A few days later came a telegram from the secretary in which there was some comment on the Bullitt episode and a statement that he, the secretary, feared that if the senate and people understood all about the various commissions provided for in the treaty and on which Americans were supposed to serve there might be some difficulty in securing ratification. The president felt, as he had in Paris, that Mr. Lansing had not been backing him, and that his conduct in Washington, and especially his attitude before the committee, was not correct; that if the secretary felt himself so at outs with the policy followed he ought to have resigned.[1]

On September 26, after speaking at Wichita, Kansas, the president collapsed. His personal physician, Admiral Cary T. Grayson, announced that the remainder of the speaking trip would have to be cancelled and that the president must have absolute rest for at least six weeks. On the twenty-eighth the party was back in Washington. In the weeks which followed nothing but the most pressing business was allowed to come before the president and no one was allowed to see him except his immediate family and his physicians. Stories of all sorts began to go around. It was rumored, and a senator was largely responsible for the rumor, that the president was losing his mind, but Dr. Grayson put an end to such talk by stating that the president's mind was "as clear as a bell." When, on October 28, there issued from the White House a letter to the industrial conference, which was meeting in the Pan-American building at Washington on the call of the president, the friends of the president were reassured as to the state of his mind, for the letter bore unmistakable indications of his diction, and there was nothing in it to give the impression that his ills were more than physical.

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[1] After the return from Paris and his dismissal from the state department Mr. Lansing wrote a book in which he aired his grievances. The general impression one receives from it is that in the first place not only did the secretary not sympathize with the president's ideals but that he did not even understand them at all; the second is that of a man jealous because he was not one of the inner circle.

THE DEFEAT OF THE TREATY

In the middle of September the senate resumed its consideration of the treaty. A number of senators, including Johnson, Borah and Reed, had been "trailing" the president, making speeches in the same places where he did and endeavoring to neutralize the influence he might have exerted. These were recalled and the struggle, so far as the senate was concerned, entered upon its last stages. Until October 20 the discussion continued and in its course the amendments and reservations were brought up and voted upon, but not one of them was adopted. Thirty-six Republican senators, headed by Senator Lodge worked for the direct amendments; forty "administration Democrats" were opposed to all amendments and most of them were against qualifying reservations; while twelve Republicans and three Democrats wanted qualifying reservations and no amendments. Such was the distribution of strength that neither group could get its way. On November 6 the senate began the final discussion of the reservations, including a new set which the committee on foreign relations had formulated. Of these one modified Article X—"The heart of the covenant" as President Wilson called it; another provided for the withdrawal of the United States, and a preamble asserted that ratification would not be binding until all the reservations should have been adopted "as a part and a condition of said instrument by at least three of the four Principal Allied and Associated Powers: to wit, Great Britain, France, Italy and Japan." The reservation which would exclude the League from consideration of questions of "honor and vital interests" was defeated, but all the other reservations were adopted. On all of the decisive votes three or more Democrats sided with their Republican colleagues in favor of the reservations, while one Republican, Senator McCumber of North Dakota, voted with the Democrats against certain of the propositions. On November 19 the way had been cleared for a vote upon the treaty with the reservations. At a conference of the Democratic senators held just before the fateful session Senator Hitchcock read a letter from President Wilson in which he said, as an answer to the senator's request for a word of advice on the matter, ". . . I assume that the Senators only desire my judgment upon the all-important question of the final vote on the resolution containing the many reservations of Senator Lodge. On that I cannot hesitate, for, in my opinion, the resolution in that form does not provide for ratification, but rather for nullification of the treaty. I sincerely hope that the friends and supporters of the treaty will vote against the Lodge resolution of ratification." All through the nineteenth the debate went on, each side trying to strengthen its position by every parliamentary device known. It was not until late in the evening that the first vote came, and this was on the question of ratification with the Lodge reservations. By a vote of 55 to 39 this motion was defeated. The second vote, on a motion to reconsider, was also lost. The third ballot was on the question of ratification without reservations, and this was lost by the vote of 53 senators opposed and 38 voting in the affirmative. No sooner had the vote against ratification been recorded than Senator Lodge offered a concurrent resolution declaring the existence of a state of peace between Germany and the United States. By this time, however, the house had adjourned *sine die* and the resolution had to go over to the regular session which would start on December 1.

Thus the peace treaty was defeated. There were some among the supporters of President Wilson who believed that if he had been willing to compromise, to accept modifications, there would have been a stronger probability of its ratification. Such speculation, however, is idle. The president was constitutionally unable to bend, and politics, which begrudged a Democratic executive and party the prestige of both a war and a peace settlement combined with a fear that the United States would become too entangled in European affairs, made a combination hard to defeat.

Without any representative of the United States the treaty of peace between Germany and the Allies was signed at Paris on January 20, 1920. Technically the United States was still at war with the late enemy, actually peaceful intercourse had begun. In a message to the special session of the sixty-seventh congress, President Harding advocated legislation which would declare the contest closed. A resolution, repealing the declarations of war against Germany and Austria and stating that peace existed with those countries, was introduced by Senator Knox, and, with little change, adopted on April 30. The house approved a substitute declaring the restoration of peace without repealing the original war declarations. A conference committee adopted portions of both resolutions, a solution which was agreed to and signed by the president on July 2, 1921.[1] So the war ended. America had gone into the struggle fired by an idealism which President Wilson had voiced for his countrymen. But a "slump in idealism" had followed, and, to outward appearances, America intended to draw back into the shell which many people believed was real.

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For what took place in America when the treaty was being considered the report of the proceedings in the senate as contained in the *Congressional Record* and *Treaty of Peace with Germany: Hearings before the Committee on Foreign Relations, United States Senate* (1919) 66 congress, 1 session, may be consulted. A good summary of the senate's course is found in George A. Finch, *The Treaty of Peace with Germany in the United States Senate: an exposition and a review*, which is number 153 of the publications of the American association for international conciliation. Other publications of this association as well as those of the World peace foundation contain much helpful information.

President Wilson's views may be conveniently found in his *Addresses Delivered by President Wilson on His Western Tour September 4 to September 25, 1919, on the League of Nations, etc.*, which was put out by the Government Printing Office in 1919.

Periodicals of various hues give some sort of information about what people thought of the league and the peace.

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[1] Seven Democrats voted against ratification without reservations and Senator McCumber voted for it.

CHAPTER XXIX

DOMESTIC PROBLEMS AFTER THE WAR

Despite the enthusiasm with which the bulk of Americans had entered the war in 1917, in 1919 it seemed that most people desired nothing so much as to forget the last few years and get back to pre-war conditions. They wished to put behind them wartime legislation, restrictions imposed by the contest, all the unusual conditions which had interfered with the normal run of things, and take advantage of the new and extraordinary opportunities which the war itself had revealed or promoted. Congress, even while the senate was preparing to repudiate the treaty of Versailles, was busy in an endeavor to wipe from the statute books as many of the recent laws as possible.[1] In part the work was completed in the special session of 1919, but some of the new problems were found to be perplexingly difficult and not to be solved by mere repeal of a statute. While many boards, bureaus, commissions and the like were cast into the discard—among them the United States Employment Service, the Food Administration, the American Relief Administration, the War Industries Board and the Committee on Public Information—one result of the war was to increase the powers and functions of the federal government at the expense of the states. Centralization which had been growing, especially since the Civil War, was given a tremendous impetus by the World War and more and more people looked to Washington to attend to things which previously had been left to commonwealth or local government.

RETURN OF THE RAILROADS

The railroad situation presented one of the most pressing of immediate issues. Federal control had furnished arguments both to those who believed in government management if not in government ownership, and to those who considered the emergency legislation a dangerous step in the direction of state socialism. Obviously something had to be done and the question was raised in the special session, partly because President Wilson called it to the attention of congress, but it was not until the regular session that a compromise between a house and a senate bill was put forth as the Esch-Cummins act in February, 1920. By this measure the roads were to be returned to their owners on March 1, 1920. They were to be guaranteed until September 1 earnings equivalent to what had been received under government control, and then, for a period of two years from March 1, 1920, a return of 5½ per cent plus ½ per cent for betterments was to be considered a fair remuneration. If any road had an excess over six per cent, one-half of it was to be turned over to the government to be used to aid weak lines.[1] To facilitate financing during this transition period a revolving fund of $300,000,000 was appropriated. The Interstate Commerce Commission was enlarged by the addition of two members, its powers were increased, and a Railway Labor Board was created to deal with all questions about wages, working conditions and the like, if controversies could not be settled by boards of adjustment. The guarantee cost the government over $600,000,000 for the first six months despite numerous rate increases allowed by the commission, although a part of the extra cost arose from wage increases granted by the Labor Board.

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[1] All told, congress repealed over sixty wartime laws, many of them lumped together, one result being the stripping of the president of most of his extraordinary powers.

It was a general feeling that the Esch-Cummins law did not go to the heart of the railroad problem.[2] Federal administration had saved many weak roads from bankruptcy, but there was no assurance that after the guarantee period was over the situation would not be as bad or worse. Needless duplication of service, equipment, terminals and all the essentials of railroading existed in some areas while others were inadequately served. Factors like these led congress, in the Esch-Cummins bill, to charge the Interstate Commerce Commission with the working out of a scheme of consolidation which would preserve competition and help remedy these evils. In September, 1921, the commission brought out a tentative plan, drawn up on the lines suggested by Professor W. Z. Ripley, proposing that roads be grouped into nineteen systems. No great popular interest was stirred up, the railroad authorities found no especial merit in it and congress paid it only desultory attention. The commission went on with its study through hearings and investigations, but apparently with not much hope of evolving a satisfactory scheme since in three annual reports it besought congress to relieve it of the task.

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[1] In May, 1929, the Supreme Court, in the O'Fallon case (279 *U. S. Reports*, 461) virtually nullified this "recapture" clause when it decided that cost of reproduction must be the basis of valuation.

[2] Numerous suggestions were advanced. One of the most discussed was that brought forward by Glenn E. Plumb who would put all systems of the country under the control of a board on which should be equal representation of the public, the owners and the railroad workers. This plan received the support of organized labor and had defenders in other groups, but congress was cool toward it.

Absorptions and mergers on a small scale went on through the initiative of the railroads themselves and from time to time propositions for major consolidations went to the commission for approval. The Van Sweringens of Cleveland, for example, tried to obtain the commission's consent to a merger of the Nickel Plate, which had been acquired from the New York Central, the Chesapeake & Ohio, the Pére Marquette and the Erie, but could find no method which found favor. Again, the directors of the Great Northern and the Northern Pacific, which still jointly owned the Burlington system, proposed to consolidate and do what Hill and Morgan had attempted through the Northern Securities Company thirty years before. Soon after this, in December, 1929, the commission submitted a new proposition, again for nineteen systems but with roads differently grouped than in the earlier plan; instead of essentially regional systems there should be great competitive groups, five in the east, three in the south and the rest west of Chicago. Hardly had the suggestion been put forward before it became the subject of criticism and congress showed no eagerness to give it legal sanction nor, indeed, even to discuss it. Furthermore, those bills which were introduced were attacked as likely to please stockholders of the strong roads while neglecting the problem of the weak ones and paying slight heed to the interests of the general public.[1]

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[1] In spite of the commission's failure to sanction any of the proposed major consolidations, it appeared that they were taking place without formal approval. In its report of December, 1929, the commission complained that through holding or investment corporations, groups like the Van Sweringen or the Pennsylvania had acquired large blocks of stock in various roads and thus, under the name of the Alleghany Corporation or the Pennroad Company, virtually accomplished what the commission would not permit.

Demobilization

Another immediate issue which had to be faced was what should be done about demobilized soldiers. The return of the army from abroad, except the portion which remained as the Army of Occupation,[1] proceeded with relatively little delay, and as fast as they came back the men and officers were mustered out of service. In general, congress was in favor of reducing the standing army to a size below what the president deemed advisable hence, when the Army Reorganization bill was passed in June, 1920, it provided for 287,000 officers and men. Pre-war legislation affecting the National Guard remained unchanged while there was to be an enlisted reserve subject to fifteen days' training each year. In 1922 the regular army was still further reduced to 125,000 enlisted men and 12,000 officers.

Closely associated with the whole military question was the bonus. Many states made fairly generous appropriations for their own veterans, but there was a wide demand for a federal bonus as well. The house of representatives passed a measure providing an appropriation of $1,600,000,000 for this purpose only to have it blocked in the senate. Thereupon the bonus became a political issue figuring in the presidential campaigns of 1920 and 1924. In September, 1922, congress did enact a bonus bill which was vetoed by the president on the ground that the bond issue it would necessitate would interfere seriously with plans for financial rehabilitation, and that the soldiers' insurance, which could be converted, hospitalization of disabled, and financial and educational aid extended through the Veterans' Bureau obviated the need of a direct money gift to all soldiers. With the passage of time active agitation for a bonus died out and in its place rose the spectre of pensions, although, in the ten years after demobilization, ex-soldiers organized as Veterans of Foreign Wars or the American Legion played no such part in politics as the Grand Army of the Republic had done in the last quarter of the nineteenth century.

Economic Disorganization

When the war ended there was a sudden cessation of extraordinary demand for many commodities, although for a time the impetus already imparted to various industries continued to make itself felt. Many were thrown out of work, at least temporarily, and there was a tendency for wages to come down, while the sudden dumping of hundreds of thousands of demobilized soldiers on the labor market aggravated the situation. This readjustment brought about a period of serious industrial unrest. One of its first evidences appeared in a strike, against the advice of their union officials, of railway shopmen who, in August, 1919, had unsuccessfully appealed to the Wage Adjustment Board. Beginning in Chicago and soon spreading to other centers there was a serious tie-up affecting many systems. On the advice of the president, Director-General of Railroads Hines secured an adjustment so that trains could move on regular schedules, and by the latter part of September an agreement was reached which partially satisfied the strikers. Soon after this Hines announced that a new wage and working agreement had been made with the unions of the more poorly paid men, and increases were allowed engineers, conductors, trainmen and firemen.

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[1] The last American forces were withdrawn from the Rhine in January, 1923.

The adjustment, however, was only temporary, for early in 1920 the brotherhoods again demanded increases which, if granted, would add about a billion dollars a year to the payroll of the railroads. No agreement was made before the passage of the Esch-Cummins law so the whole problem was before the new Railway Labor Board. In April another strike, unsanctioned by the four brotherhoods, was started by switchmen and yardmen of Chicago. This "outlaw" strike which, according to the older unions, had as a part of its aim the establishment of "one big union," spread rapidly, was accompanied by considerable violence, and, during the spring and early summer, caused much trouble on many roads. The Labor Board would not listen to the complaints of the "outlaws" so, after roads began to take on men in place of the strikers, the latter drifted back and by the middle of the summer things were comparatively normal and remained so until along in 1922.

Of all the strikes of 1919 that of the steel workers was the most bitter. Here the principal issue was the right of men to unionize and present a solid front in bargaining with employers. The struggle lasted from September until the end of November. By early October the strikers claimed that more than 360,000 men were out and, although the operators declared that this figure was too high, several mills were obliged to close and most were short-handed. Charges and countercharges were exchanged, various organizations interested themselves in the affair and finally the senate directed its committee on education and labor to make an investigation. This body reported that there was no justification for the long hours of employment maintained in the steel industry and that workers ought to be allowed to present their grievances through representatives. On the other hand it was alleged that in part the disturbance was fomented by the I. W. W. and that the strikers' chairman, W. Z. Foster, was badly tinged with radical and revolutionary doctrines. The report brought no relief to the strikers who began to straggle back to their jobs so that by the end of November most mills were running with a full force. While the strike was virtually a failure it did concentrate attention on this important industry and several investigations by various non-official organizations exposed the prevailing unsatisfactory working conditions. No immediate result came from this publicity but by the summer of 1923 it was observed that there was a tendency to replace the twelve- with the eight-hour shift and other working conditions were ameliorated.

Other strikes of 1919 included those of the longshoremen of New York, employees of the Brooklyn Rapid Transit Company and of the Interborough of New York, brass workers of Waterbury, silk workers of Paterson, New Jersey, Chicago street railway employees, and actors in New York and other cities. A strike by most of the police force of Boston attracted much attention since it was staged to force the city to recognize a policemen's union affiliated with the American Federation of Labor. Lacking its customary protection Boston was subjected to several days of disorder accompanied by some rioting and looting. It was in connection with this strike that Calvin Coolidge, as governor of Massachusetts, drew national attention to himself when he made the gesture of calling out the militia after the strike was practically over.

Industrial Conferences

One of the immediate results of widespread labor troubles in 1919 was President Wilson's call for a National Industrial Conference to meet in Washington in October. To the capital went representatives of labor chosen by Samuel Gompers, of employers selected by the Chamber of Commerce of the United States, of the National Industrial Conference Board, of certain farmers' organizations and of railroad and investment bankers, together with twenty-two persons designated by the president to speak for the general public. The conference was ostensibly called to consider all factors in the relations of labor and capital but the greater part of its time was spent in discussing collective bargaining and the open shop, for the labor people wished to consider the steel strike, in which these two principles were involved, and to have a truce declared while the subject was threshed out. The employers, by opposing this program, automatically excluded the topic and the conference was ended by the withdrawal of the labor representatives.

Undismayed the president summoned another conference, differently constituted for there was no attempt to balance labor, capital and the public in its membership. This group met in December and by March had issued two reports which declared that the most hopeful way of dealing with industrial difficulties was to find methods whereby questions could be threshed out before an open conflict between labor and capital arose. Shop councils, work councils, committees and the like were advocated and collective bargaining was endorsed. Government employees, it was asserted, should not affiliate with organizations which used the strike as a weapon although their unionization was not opposed. Many controversies could be settled by joint conference between employers and representatives of the workers, but where this was not possible disputed points should be referred to a National Industrial Board to be created along with Regional Conferences and Boards of Inquiry for the purpose of bringing the parties together to work out a satisfactory arrangement.

The "Red Menace"

All these labor disturbances filled the minds of many people with dread, for very real was the fear that the Bolshevism of Russia might spread to America as it had already infected most of the countries of central Europe after the war. Good citizens who, before 1917, would have scoffed at the idea now lay awake nights wondering how soon they would be called upon to defend their lives and especially their property. Every time it was rumored that radicals of one stripe or another had been associated with a strike, they became more convinced that strong measures must be taken to prevent dissemination of these "red" doctrines; indeed, many of them were convinced that any uneasiness among the laboring classes was a symptom of the disease with which Lenin had inoculated Russia. Under the circumstances it is not surprising that many voices were raised to demand the expulsion from the United States of all aliens who were suspected of harboring and promulgating thoughts of radicalism and communism, and almost anything was "radical" which was in any way out of the ordinary. Their clamor drowned entirely the voices of the minority who tried to protest against this unreasoning alarm.

The hysteria fell in with the post-war sweep of reaction and particularly that reaction against labor unions and all that those organizations stood for. Many an employer believed that this was the time to fight to a finish the opponents of the open shop and all who would question his unrestricted right to run his business without dictation from employees. Both the department of justice and the post-office continued to enforce the espionage and other restrictive acts and consciously or otherwise aided and abetted the "red" baiters.

Attorney-general A. Mitchell Palmer, who had been Alien War Property Custodian,[1] proved to be a most active prosecutor of alien radicals. In response to an inquiry from congress he announced that "red" propaganda was rife in the United States, that radicals of all sorts, mostly aliens and some of them connected with the Russian Soviets, were plotting to overthrow the government of the United States. A dragnet thrown out over the country brought in many "undesirables" who were herded to Ellis Island and, on December 20, 1919, the "Soviet

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[1] In the latter part of 1919 and the beginning of 1920 there were many changes in the cabinet. Palmer took Gregory's place. Redfield was succeeded by Joshua W. Alexander as secretary of commerce. McAdoo resigned and Carter Glass was secretary of the treasury until his election to the senate in January, 1920, when he was succeeded by Houston whose place in the department of agriculture went to Edwin T. Meredith. John B. Payne replaced Lane in the interior department. The change that caused the most comment, however, was Bainbridge Colby's replacing Lansing in the department of state when the president, in February, 1920, called for the latter's resignation on the ground that he had exercised too much authority while the president was ill.

Ark" *Buford* with 249 persons, all former Russian subjects, left for their homeland. More arrests followed, some of them on the flimsiest of grounds, and other deportations took place.

Local and state officials were not backward in their efforts to support the federal authorities and frequently the courts lent their assistance to the cause. Those who believed that when the war was ended there would also be an end to the restrictions on freedom of speech and of the press discovered that it was nearly as dangerous to give utterance to radical or even liberal opinions as it had been when the war fever was highest. Colleges closed their doors to daring thinkers and soap-box orators discovered that the way of the transgressor against popular fetiches was hard, while only here and there was to be found a periodical or newspaper bold enough to print outspoken articles. It was only slowly that the hysteria wore off, for even in the year of grace 1930 it was an optimist indeed who could maintain that oral and printed discussion was as untrammelled as it had been in 1914.

In the midst of this "red" baiting came several episodes indicative of the strength of its participants. At Centralia, Washington, an I. W. W. hall was stormed by a band of paraders, many of them members of the American Legion, and when the people in the hall fired in self-defense they were tried and convicted of murder. Anyone suspected of crime and, at the same time, known to be a radical found that the latter fact worked against him quite as much as his alleged infringement of the laws.

The most widely discussed of all the cases growing out of this situation was that of Sacco and Vanzetti. At South Braintree, Massachusetts, in April, 1920, two payroll messengers were robbed and murdered by a gang supposed to be made up of Italians. Subsequently two Italians, Sacco and Vanzetti, were arrested, charged with the crime, and over a year later, after a seven-weeks trial, convicted. During the proceedings it was brought out that both men were believers in communism and this fact was played up by the prosecution and alluded to by Judge Thayer in his charge. In view of the fact that there was much conflicting testimony and therefore doubt in the minds of many whether the state had proved beyond question the guilt of these men, the matter was taken up by individuals and groups who were convinced that both judge and jury had been influenced by the prevailing hysteria. The Supreme Judicial Court of Massachusetts refused to order a new trial when the case was before it in 1926. Every legal device was employed to get a new trial or a pardon; thousands of people signed petitions which poured in, and some of the foremost lawyers of the country reviewed the evidence and came to the conclusion that there had been a miscarriage of justice. Nevertheless Governor Fuller on receiving a report from a commission of three eminent Massachusetts citizens to whom he had submitted the question, refused to issue a pardon, and in August, 1927, the men were executed to the accompaniment of demonstrations all over the United States and in many foreign countries. If it did nothing else the Sacco-Vanzetti case demonstrated the inefficiency of American legal machinery to cope with modern conditions.[1]

THE COST OF LIVING

Closely connected with industrial unrest and productive of irritation in other ways was the continued high cost of living. Soaring prices were partly due to an actual shortage arising from wholesale destruction of materials and from a diminution of the world's productive energies, but there was also a conviction that producers and distributors were trying to keep prices up beyond mere economic necessity. Since the government was partly responsible for the high level it was felt that the same agency could, if it would, help remedy the situation. The mounting agitation produced some administrative action. Surplus army goods were sold at cost or below. The attorney-general announced that the "Big Five" packers were pursuing a course which was clearly in violation of the anti-trust act and that they had much to do with excessive cost of many food products. The packers did not contest the point for they made an agreement whereby they undertook to sell their holdings in subsidiary concerns, stockyards, terminal railroads, market newspapers, warehouses, etc., and were not to engage in retail sale of meats. The department of justice began a vigorous campaign against food hoarding and, on the advice of the administration, many state fair-price committees were revived to start a campaign against profiteers. The soaring price of sugar led congress to pass the McNary Sugar Control bill which continued the war-time Sugar Equalization Board for another year.

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[1] Felix Frankfurter, *The Case of Sacco and Vanzetti* (Boston, 1927).

One of the things which helped to moderate prices was a buyers' strike. By general agreement, to some degree as a result of a concerted program, people all over the country refused to purchase more than was absolutely necessary and results were soon evident at least with respect to clothing, although the device was less practicable with foodstuffs.

In 1920, while living costs were nearly at the peak and the depression which was soon to become acute just setting in, labor disturbances were numerous and far-reaching in their effects. One of the most distressing, both for laborers and the public at large, was that which affected the bituminous coal fields in all the principal mining areas. Several investigations showed that this industry was in an unhealthy condition; even before the war there had been overdevelopment of new mines and the demands of the war had further stimulated the production of fuel. This resulted in an organization capable of mining much more coal than could be used hence many mines were worked only part time so that miners, whose daily wage seemed high, had a yearly income quite inadequate for a decent living standard. Widespread discussion of the reports of investigators produced various suggestions, all the way from government control to closing the less productive mines. But, as usual, nothing was done. The immediate difficulties were adjusted but no real cure was attempted and the industry was left to struggle along with ever-recurring rumblings of discontent. Strikes by street railway men occurred in Chicago, Denver and Brooklyn; the clothing industry of New York was paralyzed from December, 1920, to June, 1921; and a longshoremen's strike crippled shipping. Meantime the post-war depression was sweeping over the country in full force.

POST-WAR DEPRESSION

The world had suffered tremendous material losses from the war and overstimulated and unnatural production reached a breaking point. European governments were bankrupt or on the verge of it; their people, already impoverished, were crushed by taxes so that their purchasing capacity was only a fraction of its former volume. The home market of the United States could not alone carry the burden. By autumn of 1920 the full force of the depression was being felt. In some lines production was cut in half; steel and iron output, always an index of conditions in general, was reduced a third, while some industries, notably textiles, for a time escaped the worst effects of the change. The total result, however, was a great increase in unemployment; in January, 1921, the department of labor estimated that nearly three and a half million workers had been added to the list of unemployed while perhaps as many more were working only part time. The depression came to the aid of those employers, already utilizing to the utmost anti-radical sentiment, who wished to crush the closed-shop idea and to reduce existing wage scales. Some groups of laborers accepted cuts without protest; some even volunteered to take reductions; others fought back but usually without success. Altogether, while wages did not go back to a pre-war basis, there was a general scaling down of both real and nominal returns to labor.

If labor was hit hard by the economic reaction, the farmers who, as a whole, had profited greatly during the war, were most severely affected. While the good times lasted some, particularly in the south, had paid off mortgages and put their gains into a permanent form. In the grain-growing regions, on the other hand, there had been expansion under government price guarantee and an orgy of land speculation swept the Mississippi Valley. With the removal of government support to the market, the bottom dropped out. Farmers who had been conservative were badly enough off but those who had plunged suffered extremely and pulled down with them the banks which had lent money for expansion; retail and wholesale houses which catered to the farmer market lost their custom and whole areas dependent on agricultural prosperity shared in the prevailing hard times.

ANOTHER AGRARIAN REVOLT

The worst effects of the depression so far as industry as a whole was concerned were soon past for, after a few months, signs of revival were apparent. With some exceptions, this time particularly in cotton and woollen manufacture where change of styles and the development of artificial silk cut sharply the demand for the other fabrics, manufacturing picked up. The stock market reflected growing confidence and, from the latter part of 1922 and especially after the election of 1924, most securities followed a general upward trend. Stocks of the newer industries, automobile, radio, electrical supplies, petroleum and the like, rose to unprecedented heights and carried up with them most other securities. Encouraged by easy credit which the Federal Reserve Banks helped to provide, speculation became almost universal, affecting not only groups which were accustomed to gamble in stocks, but millions of people who could scrape together enough to margin a block of shares. The furor was fed by supposedly conservative bankers, by politicians, and even not a few sober economists joined in the chorus which asserted that prosperity had come to stay and nothing could withstand it. It was even announced that cycles of alternating boom and depression were of the past, that the older theories of economics were discredited. After disconcerting signs observable early in 1929, the crash came in the autumn to be followed by two more in quick succession. Millions of paper profits were wiped out and thousands of people lost the savings of a lifetime. By the beginning of 1930 a reaction set in but it came too late to save those who could least afford to lose and business lethargy was prevalent throughout the country.

During these six or seven years there were some serious gaps in the incidence of prosperity. The agricultural regions of the west and south showed no signs of recovery commensurate with those in the more highly industrialized sections. Year after year farm products commanded prices far below those of the war period and low in comparison with manufactured goods. Banks continued to fail, unable to liquidate their "frozen" credits, and the regions to which these agricultural areas were tributary lagged behind the rest of the country. "Farm relief" was the incessant demand; unable to pull themselves out of their plight the farmers called upon government to help them have a share in the prosperity which spellbinders assured them existed.

One of the first outlets of agrarian discontent showed itself in the Non-Partisan League which started in North Dakota in 1917. This organization, the outgrowth of hostility toward railroads, terminal elevator companies, grain merchants, packers and others through whose hands farm products passed on the way to the consumer, grew under the leadership of Arthur C. Townley and others until it affected the whole upper Mississippi Valley. Like earlier movements of the same kind, it sought relief through political action by attempting and in some cases succeeding in capturing one or the other of the older parties. While the war was on the League was attacked as socialistic because it advocated state-controlled mills, banks, elevators, packing houses and insurance as well as changes in the system of taxation; it was denounced as un-American because some of its members called the war a rich man's contest to be resisted by farmers and laborers. These features were subtly played up by those who were opposed to the League's program so that many were convinced that it was not only anti-war and un-American, but pro-German and Bolshevistic. Despite these handicaps the League captured the government of North Dakota and made serious inroads in neighboring states. Its successes of 1918, however, were not repeated in 1920 and 1922. In part this was due to the depression which placed a heavy burden on the new enterprises launched by the League when in control of North Dakota's legislature, especially on the Bank of North Dakota; bad management of state enterprises also contributed to its distress.

Again like its forerunners the League attempted to link the cause of labor with that of the farmer so that in several states the elections of 1920 found Farmer-Labor tickets in the field. In national politics there was a similar attempt. A self-appointed Committee of Forty-Eight tried to organize liberals and finally called a convention to launch a national program. When the assemblage convened it was found that a radical labor group dominated the body so both Forty-Eighters and the National Non-Partisan League refused to back the platform which was formulated. Nevertheless the Farmer-Labor Party, as it called itself, after vainly trying to get Senator La Follette to head the ticket, selected presidential and vice-presidential candidates to put before the electorate. As in most of the earlier third-party movements the vote for this ticket (272,000) was a protest vote which affected the final result of the election not at all.

But the agitation continued unabated both as a separate political movement and as an irritating factor within the ranks of the old parties. In 1924, organized as the Progressive Party with La Follette at its head, this combination of labor and agriculture made a formidable showing with a total of 4,686,000 votes, all of which served only to show the depth of discontent with existing conditions, even though enough of the votes were concentrated in Wisconsin to give its favorite son its thirteen electoral votes. Outside of Wisconsin the Progressive strength was manifest more in the Mississippi Valley than elsewhere, demonstrating once more that labor and agriculture, even when nominally linked, had not learned to pull together. The death of Senator La Follette, coupled with distrust in the efficacy of a third party pitted against the older organizations, resulted in a falling away so that by 1928 there was hardly a vestige of the new party left.

If the new party, in itself, made relatively little impression on the country as a whole one of the principal causes of its formation did not disappear. Farm relief was a spectre which was not easily exorcised. In congress it produced an "Agricultural Bloc," a loose organization appearing first in the senate with William S. Kenyon of Iowa as its chairman. The Bloc prevented adjournment of the special session of 1921 until at least some of the measures it supported could be acted upon. It forced through the Packers' bill by which, in a milder form than Kenyon desired, the great packing concerns were placed under the control of the secretary of agriculture in whom were vested great regulatory and supervisory powers; it was back of the Sheppard-Towner measure to give federal aid in the protection of maternity and infancy; it had a hand in framing the Norris Farm Export bill to create a special commission with power to regulate the exportation of agricultural products; and it gave its support to a measure by which the federal government appropriated $75,000,000 to match sums raised by states for road construction.

THE TARIFF AND FARM RELIEF

The regular followed close on the heels of the special session with the Farm Bloc still holding together and impressing its will on the Fordney-McCumber tariff bill. The special session had produced an emergency measure which raised rates on many articles which, it was thought, might flood the American market, but this act was far from satisfactory to the advocates of high protection who yearned to wipe out the Democratic tariff of 1913. The old story was repeated. The house bill exhibited a desire to impose high duties but the senate went much further and had its way on most controversial points when the final bill was whipped into shape in conference. Manufactured goods were given duties which averaged higher than those of the Payne-Aldrich or the Dingley act, hence higher than the country had ever had. The Bloc insisted on extending this protection to farm products probably because some of its members still believed, despite previous experience, that assurance of a home market would remove a portion of the farmer's troubles. Particular confidence was reposed in the provision by which the president could, on recommendation of the Tariff Commission, raise or lower duties by not more than 50 per cent to equalize the cost of production at home and abroad. The commission, however, found few cases where duties ought to be lowered and then affecting no significant groups of commodities, but, on the other hand, it discovered that there were several important items which needed further protection. Some of these on which the president authorized higher duties were agricultural items and possibly, as in the case of dairy products, some temporary increase of price actually reached the farmer.

If there had been cherished the expectation that the new tariff would still the farmers' clamor, it was soon removed. The tariff, it was contended, was of direct and obvious advantage to certain manufacturers; it produced no appreciable and certainly no uniform relief to agriculture. Something more positive must be devised. Inchoate ideas at last took form in the McNary-Haugen bill which had as a fundamental feature the maintenance of prices at home by disposing of surplus stocks abroad for what they would bring, the difference being made up from a fund derived from an equalization fee spread over agricultural products as a whole. A new board was to be created to administer the act, supplied with a federal appropriation to launch the plan. Opponents denounced the McNary-Haugen bill as an economically unsound price-fixing scheme which brought government too much into business; its supporters retorted that government *was* in business in so far as it lent its support to manufacturing through effective protective duties. Continuous agitation finally pushed the measure through both houses only to meet a veto from President Coolidge.

Despairing at last of securing this measure its backers turned to a modification when, in 1929, President Hoover called a special session of congress to carry out campaign promises to "do something for the farmer." Encountering insuperable opposition to the fundamental idea of the McNary-Haugen plan, even when the equalization fee was dressed up in the garb of a debenture, its advocates had to be content with a law which authorized a Federal Farm Board to bring aid with federal money to the farmer acting through co-operative organizations. According to this scheme when there was a surplus of any commodity or when dumping on the market would unduly depress prices, the board could advance money to co-operatives meeting its terms thereby enabling them to hold the surplus and feed it gradually into the market at home or abroad. It was believed that this would encourage the formation of new co-operatives and strengthen existing ones, discourage, through them, overproduction and tide over periods of glut and reduced prices. As a last resort the board might form a gigantic holding corporation to purchase and market commodities whose prices could not be maintained by less drastic means.

No sooner had the house finished its work on the farm bill in this special session of 1929 than discussion began on a brand new tariff measure which the committee on ways and means had been shaping. Although the president had advocated only adjustment of rates obviously out of line, the schedules the committee presented soared to heights which warmed the heart of many a manufacturer and chilled those who feared the reaction of other countries as well as those who feared a new increase in the cost of living. Representatives of the agricultural states denounced the increased rates on goods their constituents had to buy, the more so because they found no corresponding increases on farm products which fed and clothed the city people. If this bill became law, they said, congress would take away by the tariff what it had seemed to give in the farm bill. Despite protests the house adopted the committee's proposals with few changes and sent the bill to the senate.

In the senate the procedure of past years was reversed, for, instead of still further increasing rates, a combination of Democrats and insurgent Republicans insisted on revision, downward for many manufactured products and upward for farm products. Many curious situations arose in the controversy which was essentially one between city and country. Representatives from agricultural states questioned the utility of retaining the Philippines any longer when tropical vegetable oils competed with butter fat, Philippine tobacco with that of Virginia or Kentucky, and cane sugar with beet sugar. Since the American Federation of Labor was likewise in favor of Philippine independence because of threatened introduction of Philippine labor, the economic situation promised more hope for Philippine nationalists than all their arguments of years past on abstract principles of self-determination and the inherent rights of man. The sugar problem was particularly tangled: one lobby worked to keep the rates down to protect American capital in Cuba; another wanted to raise them in behalf of the cane growers of the Gulf and the beet raisers of Utah and Colorado without, perhaps, realizing that they were playing into the hands of capitalists who would push sugar production in Porto Rico, Hawaii and the Philippines. The sugar lobby became so obvious that at last the senate determined to enquire into this whole matter and started an elaborate investigation which could do little more than add details to what was already known. The struggle went on into the regular session of 1929–1930 with the deadlock still holding until temporarily attention was diverted by a report of the president's Prohibition Commission. When the senate once more turned its attention to the tariff the old system of "log-rolling" whipped the bill into shape with some concessions to farmer demands and no marked reductions of industrial rates. It was left to a conference committee to iron out differences and put in final form a measure which represented the greatest heights protectionism had so far reached in the United States.

The farmers of the Mississippi Valley were encouraged to lend their support to an entirely different kind of project on the ground that it would benefit them as well as all other industries of the region. This was a plan to revive water transportation.

The Panama Canal had benefited the Gulf states and those on both coasts but it had worked a hardship on the central part of the country dependent entirely upon railroads. Redevelopment of the Mississippi and its principal tributaries would, many believed, at least in part break the hold of the railroad, so agitation for a nine-foot channel from Minneapolis to New Orleans and improvement of the Ohio was strong all through the decade from 1920 to 1930. Along with this went a proposition to improve the St. Lawrence, with the co-operation of Canada, so that seagoing vessels could go under their own power clear to the western end of Lake Superior and make cities like Duluth, Chicago, Milwaukee and Cleveland seaports with the flags of all maritime nations flapping in their harbors. All was not harmony, however. New York did not view with equanimity a project which would divert tonnage from her wharves and maintained that if anything of the kind were done it would be better to utilize the Erie Canal and the Hudson River. So the question of a seaway got into politics with each side blocking the other. Furthermore there was some genuine and well-founded doubt whether either proposition was as economically sound as it appeared when put forth by an enthusiast, or would be able to do what its supporters promised.

Here and there in the midst of demands for something to be done for the farmer and denunciations of whatever schemes were proposed there were small voices raised to assert that, in the last analysis, the real trouble had not been properly diagnosed, that there had been no recognition that practically everything suggested assumed that the United States was still essentially where it was before the Civil War when agriculture had been the backbone of our economic society. Little account was taken of the strides toward industrialism. The significance of urbanization, of the drift and then the rush of population to swell the hordes in towns and cities, seemed to be ignored. Certainly few of those who stuck to the farms or those who spoke for them in congress appeared to grasp the fact that agriculture had become one of many industries and no longer the pre-eminent one which, in its unique position, had been able legitimately to command preferential treatment. Accustomed to a preferred place in society, emphasized by its overrepresentation in congress—a representation which it refused to lose by preventing a reapportionment of seats in the house after the census of 1920—it persisted in the belief that relief must come primarily from legislation. In spite of years of work by experiment stations, agricultural colleges and a federal department, agriculture as a whole stuck obstinately to its antiquated methods, ignoring in great degree cost accounting, world markets, adjustment of supply to demand and most of the mechanized processes which were freeing manufacture from so great dependence on the labor of men's hands. It was inelastic both from inherent difficulties attending change and from the inertia of the mass of the farm population. A farmer might use a tractor to draw his plow or combine, an automobile to take him to town, a radio to get weather and market reports or jazz or political buncomb; too frequently all these were trappings the social and economic significance of which had not awakened in him the idea that the very machinery making it possible for him to have them had a vital place in his own economy. As in coal mining, so in farming, there was the problem of too many marginal producers.

BIBLIOGRAPHICAL NOTE

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Periodicals contain much of the available material on most of these more recent events; they range from the professional and technical quarterlies like the *Political Science Quarterly*, *Quarterly Journal of Economics* or *Journal of Political Economy* to the weekly or monthly news and comment organs. Some of those which are frequently useful are *The Nation*, *The New Republic*, *The Freeman* (to 1924), *The Independent* (to 1927), *The Outlook*, *Review of Reviews*, *World's Work*, *Time*. Beginning in 1926, the *United States Daily* affords a detailed day-by-day record of the activities of the various branches of the federal government.

CHAPTER XXX

THE GAME OF POLITICS

As one glances back at the past dozen years there comes the feeling that, however much at a given moment politics and politicians seem to loom up over the ruck of things, in the sweep of time they play but a part and frequently an insignificant part of the total game. Presidential campaigns arouse a momentary furor that is all but forgotten as soon as the election is over; the average citizen goes on with his work and play, probably with a sigh of relief that he will not be called on for another four years to go through with a similar experience. Congressional sessions, state and local campaigns, exposure of graft, denunciation of office-holders, all stir up fleeting comment, but they are not, except with a few, a part of the warp of everyday life. Nevertheless government and politics are the bonds which tie together national life; or, if not the bonds, they are the tangible evidences of unity in a society where group and sectional antagonisms struggle against the more illusive things on which that society is built. In a way, a nation heads up in its government and its fortunes may be dependent to a large degree upon what sort of a government it has and upon the personnel through which it is presented to the world.

In 1920 the country was ready to participate in one of those quadrennial struggles not so much with the idea that this one would mean the decision of great issues or inaugurate a period of constructive statesmanship as that it would presage the return to things as they had been before 1917. Nothing was more evident, by the time the senate had finished with the treaty of Versailles, than an overwhelming desire to forget the war, sweep away the abnormalities it had brought, and get down to the real business of life for most Americans—making money and spending it, untrammelled by new and perplexing problems. It was obvious that President Wilson as a candidate would not figure in the campaign. President Wilson and his party, however, stood for much that a majority of the people wished to be rid of. Some were tired of the domestic program the president had tried to carry out and had, to a limited extent, forced through congress; some yearned for an opportunity to strike at him because, as they said, he got the United States into the war, while others were equally antagonistic because he had delayed so long in doing it; still others would rebuke him for his Mexican policy; and a mass of voters wished to deny that he really represented the country when he wove the Covenant of the League into the peace treaty, or advocated an Armenian mandate for the United States, or tried to "entangle" America in European affairs. Playing upon all these groups and their animosities was the professional politician who resented the leadership assumed by the president and his long domination of congress.

Everything then pointed to a Republican year, and it apparently made little difference whom the party selected to run for president. In the preliminary skirmishing all favorite sons and potential candidates were eliminated except General Leonard Wood, Senator Hiram Johnson and Governor Frank Lowden of Illinois. State primary elections, where these were held, gave no clear-cut decision, although, as the convention drew near, indications seemed to favor Wood or Johnson.

As it appeared later it was not of much importance what was contained in the platform of the party, nevertheless that document was formulated only after a long controversy in committee, chiefly because it was recognized that a large and influential body of Republicans was sympathetic with the idea of some sort of international machinery, more or less like the League of Nations, while a strong minority in the convention, headed by Senators Johnson, Borah and McCormick, threatened to bolt if the League should be endorsed in any way. This minority had its way for the president's league was repudiated and he and his party condemned for being unprepared for war and equally unprepared for peace, for proposing an Armenian mandate, and for his management of the Mexican situation. In sonorous phrases it asserted that the Republicans had done more for the country in the past eighteen months than the Democrats had in six and a half years, and in equally lofty though rather vague terms promised to deal effectively with agricultural ills, labor discontent, prohibition, the high cost of living, profiteering, immigration, the mistakes of the Federal Reserve Board, education, highways, the civil service and nearly everything else that seemed to call for governmental attention.

With the platform disposed of, the convention turned its attention to the real business before it, the selection of a candidate. The first ballots showed a wide scattering of votes with Johnson, Lowden and Wood leading although neither had anything like a majority. Then the rumor was spread and finally direct charges made that large sums of corporation money were being spent by the backers of Lowden and Wood, although, as it afterwards was shown, neither of these men knew anything about it, even if the accusation was true and that in itself was doubtful. Profiting by these charges, if not instigating them, was a small group of politicians bent on throwing the vote to Warren Gamaliel Harding, one of the senators from Ohio, who had, outside of his own state, not been seriously considered by anyone. As the news began to circulate that Harding had been picked by the insiders there was a rush to him with the result that on the second day of balloting the sixth poll gave him a majority.

Harding was the editor of a newspaper in Marion, Ohio, and a follower of the political game and the political gang which dominated Ohio politics. He was in his second term in the United States senate where he had been undistinguished from the mass except that his resonant voice was frequently utilized to utter the commonplaces of senatorial oratory and particularly to attack the president and his policies. There can be little question that he was the least promising candidate his party or any other major party had ever selected as its choice for president. Calvin Coolidge, brought to a certain prominence by his association with the police strike in Boston, his interests promoted by Frank Waterman Stearns against the opposition of Henry Cabot Lodge, was chosen with no difficulty for second place.

The Democrats entered the contest with hopes of success so faint that there was almost a conviction of impending defeat, although the Republicans' choice of Harding and the feeling that the magic of Wilson's name might turn doubtful voters their way in the end, gave them some encouragement. Here was no plethora of presidential timber. Ex-Secretary McAdoo, Governor James

M. Cox of Ohio and Attorney-General Palmer were prominent possibilities. Prohibition, which was to rend the party in 1924 and 1928, reared its head as an issue to affect not only the platform but the choice of candidates. Neither "wets" nor "drys" could, however, concentrate enough strength to have their way with a plank so the matter was not mentioned, since no satisfactory compromise could be devised. Endorsement of the League of Nations and of President Wilson's administrations constituted a large part of the formal resolutions; the rest was composed of the customary evasive promises, differing little from those made by the Republicans except that the Democrats favored early independence for the Philippines and were not outspoken for protection.

The two-thirds rule and the conflict between wets and drys, the latter led and urged on by William Jennings Bryan, made the choice of a candidate difficult. After forty-four ballots and after Palmer had released his delegates, Cox was selected, and then Franklin D. Roosevelt of New York, assistant secretary of the navy, was nominated for vice-president on the first ballot. Less so than in the case of the Republicans but still obviously, the Democratic selection showed how little influence popular expression of preference had to do with the choice of candidates, for, while the primaries were too few to indicate a national plebiscite, their designations were practically ignored.

The campaign was not clear-cut. There was no one specific issue which dominated although the League of Nations came more nearly doing so than anything else. Here the matter was complicated by Harding's suggestion of an "Association of Nations" which, though not very clear, seemed to imply something about like the League without a Wilson or a Democratic stamp. The candidate's speeches, however, sometimes indicated that he took a position not far removed from that of the irreconcilable opponents of the Covenant. The atmosphere was further clouded when thirty-one prominent men, toward the close of the campaign, issued a statement that they would vote for Harding because they believed in the principle of the League and they thought there was a better chance with Republicans in office of securing one which the United States could enter. On the other hand many supporters of the League advocated the election of

Cox since he had, after some hesitation, endorsed without reservations Wilson's stand on the subject.

If there was any one real issue it was Wilsonism. Men voted for Cox to show their approval of the president and his policies; they voted for Harding, at least in part, to indicate their rejection of these. It was clear enough that the Republicans would sweep the country but the most optimistic prophets did not predict the landslide by which nearly 16,139,000 out of about 27,000,000 votes were cast for Harding and Coolidge; nor did they foretell 404 out of 531 electoral votes for the Republican ticket.

The Harding Administration

The Harding administration entered office to bring things back to "normalcy," to use the term employed by the president in his inaugural address. It was his purpose, according to his own statement, to surround himself with "the best minds" of the party, for there is no doubt that he came to realize that the responsibilities of his new office demanded something not called for by the political game in Ohio or even by the senatorial game in Washington. The "best minds" included Charles Evans Hughes as secretary of state and Herbert Hoover in the department of commerce; they took in as secretary of the treasury Andrew W. Mellon, best known till then as head of the aluminum "trust" and a figure in high finance and big business. But the "best minds" also seemed to include members of the "Ohio gang" and others who represented the same attitude toward public affairs—men like Harry M. Daugherty as attorney-general and Senator Albert B. Fall as secretary of the interior. With Daugherty came a mob of spoilsmen and back of Fall were oil interests desiring a strong policy with Mexico and at home concessions and favors which might or might not be against the law but were frequently contrary to the public interest.

People pondered the situation and wondered about this curious mixture of talents. They speculated about the relative weight the two groups would have in national councils. The call of a special session of congress which proceeded to deal with the tariff, remnants of war legislation and financial problems; improvement in business; a conference of naval powers summoned to Washington in December, 1921; and, above all, confidence that conservative forces were once more in the saddle, diverted attention and induced the belief that, after all, the "best minds" would control. The passage by congress of a budget law creating in the treasury department a bureau under a director, smaller appropriations for the army, cutting down the naval program, enactment of an immigration law to limit aliens from each country to three per cent of that nationality in the United States as shown by the census of 1910,[1] all added to the conviction that the country was in safe hands.

Even under a Republican administration with Republicans in control of both houses of congress there were obstacles in the path to "normalcy." The farm problem was a chronic ailment and labor discontent persisted in making itself heard. Two major and basic industries were torn with strife in 1921 and 1922. In July of 1921 the Railway Labor Board ordered wage reductions and a few months later railroad executives asked for further cuts to effect, they said, a saving which would ultimately help lower the cost of living. A threatened strike in all branches of railroad service was averted by a compromise under which the men accepted the first cut on condition that a new basis of general working arrangements would be figured out. By December an agreement was reached with the six principal unions.

In May and July of 1922 the Board ordered reductions in the wages of shop men, maintenance crews and the like, but this time no understanding was reached and in July thousands of men all over the country stopped work and seriously interfered with the running of some two hundred roads. At first the great brotherhoods held aloof, but by August sporadic strikes among their members were appearing. The Labor Board seemed to be getting nowhere in its efforts but officials of individual railroads began dickering with representatives of the employees on the basis of wage reductions, re-employment of strikers who had not engaged in acts of violence, and arbitration of points of difference between the roads and the men, although the question of seniority rights, which had been one of the fundamental differences, was not adjusted. By the end of the year conditions were becoming normal and no longer did defective rolling stock or deteriorated roadbeds make travel by rail unusually hazardous. In the midst of things Attorney-General Daugherty had interposed with a blanket injunction against all the strikers, an act which aggravated rather than relieved the situation.

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[1] Wilson had vetoed a measure similar to that enacted in May, 1922. The 1922 act was avowedly a temporary one to expire in June, 1924; before that date, however, congress passed another act by which the percentage was cut from three to two, and the basis of the quota was the number of foreign-born as shown by the census of 1890. A "national origins" provision stipulated that after July 1, 1927, the maximum of admissions for any year should be 150,000, "With the minimum quota of any nationality fixed at 100, the annual quota of each nationality for each fiscal year shall be a number which bears the same ratio to 150,000 as the number of inhabitants in continental United States in 1920 having that national origin bears to the number of inhabitants in continental United States in 1920." (G. M. Stephenson, *History of American Immigration* (1926), 188–9.) The application of the "national origins" provision was postponed until July 1, 1929, but then went into force despite much protest against it. Immigration from Mexico, Canada, Newfoundland and independent countries of Central and South America was not limited. Those not eligible to citizenship, Chinese, Japanese and other Orientals, were not admissible.

Coal provided the other major labor disturbance. In the West Virginia bituminous areas discontent, much of it easily explainable, had been smouldering and in August, 1921, it burst out in an attack by armed miners of the Mingo field upon other workers whom they were trying to force into the union. In the spring of 1922 the West Virginia strike became part of a greater struggle which involved nearly all the important mines of the country when the operators refused to renew the agreement of 1920 and determined to cut wages from 17 per cent to 40 per cent. The miners demanded the former rate of pay and insisted on a continuation of the "check-off" by which dues were taken from pay envelopes and turned over to union officials. A survey made by the Federal Council of the Churches of Christ of America in May announced that some 515,000 miners, about a fifth of whom were non-union, were on strike while only about 121,000 getting out a tenth of normal tonnage, were at work. Violence was prevalent, especially in the Herrin, Illinois, field. During the summer the movement spread to the anthracite area where 150,000 men were out.

Such a tie-up as this was reflected in the whole economic life of the country. It was not merely a fight between miners and operators but a matter of intimate and vital significance to everybody. Investigations, official and unofficial, disclosed the fact that the whole industry was on an unsound basis; unprofitable mines were struggling to keep running; there was an oversupply of labor that could not be employed all the time. As winter drew on and many states and cities adopted wartime measures looking to the rationing of coal, individual operators bargained with their men and slowly production increased, although an actual shortage existed in the winter of 1922–1923. The anthracite strikers reached an agreement in September but, while work was being resumed in some of the bituminous fields, the trouble smouldered on through 1923 with a gradual wearing down of the resistance of the strikers.

The year 1922, like the previous one, was marked by a general prevalence of labor disputes accompanied by numerous strikes. As in the case of the railroads and the mines most of the immediate troubles came from attempts to reduce wages. In the textile manufactures of New England, where the industry was hard pressed by the south with its cheaper labor, less antiquated machinery and conveniently located raw materials as well as by changes in the styles of women's clothing which reduced the demand for fabrics, wage cuts were accompanied by attempts to increase the number of working hours. In most instances labor lost although there were usually compromises by which the extreme desires of the operators were modified. In one respect, however, employers might consider that they had been successful in their resistance to labor demands: the closed-shop idea made no appreciable advances, and the United States as a whole seemed far from European class consciousness and labor solidarity.

The Looters at Work

Meanwhile, down in Washington where congress was wrestling with the bonus, ship subsidies, farm relief and the problems raised by the strikes, disquieting rumors were in the air. It was whispered that many of the president's appointees were taking the opportunity to feather their nests. Not much of this crept into the newspapers, although the Washington correspondents had a pretty fair notion that the Ohio gang was up to its elbows in everything that promised money. Money, distributed to the faithful by Jess Smith of Washington Court House, Ohio, was coming in from violators of prohibition laws and from others whose actions would not bear the light. The Alien Property Custodian was suspected of gross irregularities and there were complaints that the Veterans' Bureau was becoming a national scandal under Forbes, a close personal friend of the president.

How much or how little of all this Harding knew or suspected will probably never be known; his papers were carefully destroyed after his death. He made no pretense of understanding much about complicated questions of finance, of foreign relations, in short of most of the routine of governmental activities, and he left such things to those directly entrusted with them while he delivered platitudinous speeches and tried to enjoy the social diversions which his high position opened. Something, however, of what was going on must have penetrated his consciousness, although one may believe that he found it hard to credit anything disparaging to his friends. It is possible that Smith's activities were made known to him and that there was a threat of prosecution, for Smith either committed suicide or was murdered. Irregularities in the department of justice brought Daugherty's name before congress and an investigation was ordered; the attorney-general refused to produce the papers called for and Harding demanded his resignation.

Just when things appeared to be about to break wide open, in the summer of 1923, the president made a trip to the west, delivering addresses at various places, went to Alaska and, after his return to Seattle, was taken ill, rallied, and then died in August at San Francisco of a stroke of apoplexy. Throughout the country, where practically nothing was known of the orgy of looting which had been going on, there was a burst of sincere grief and Harding was, for the moment, enshrined alongside other presidents who had died in office. But not for long. The storm which had been impending burst in full force and by the time congress was in session there were few who would grant more than that President Harding had been a good-natured and friendly politician of very mediocre ability, easily influenced and hoodwinked by unscrupulous men, who had been thrust into an office he was incapable of filling with honor to his country or credit to himself.

The Oil Scandals

The most noisome of the scandals had to do with oil and dragged down two cabinet members and involved numerous others in official and private life. Secretary Fall was charged, and the accusation was upheld by the Circuit Court of Appeals of the Eighth Circuit and by the Supreme Court of the United States, with fraud and corruption in the lease of certain oil lands reserved for the use of the navy. These reserves, the most important being the Teapot Dome field in Montana were leased to E. L. Doheny and Harry F. Sinclair through a dummy corporation for the benefit of a group of oil companies, including the Standard Oil of Indiana. In the course of the proceedings, especially of the investigations instituted in congress, a number of persons whose testimony was desired, found business that took them abroad and several of them succeeded in defying the committees' demand for information. Edwin Denby, secretary of the navy, was implicated to the extent at least of not having sufficiently safeguarded the nation's interests and he found it advisable to resign.

In congress there was an effort to link the frauds with the Republican party and make political capital for the coming presidential campaign. A backfire was started by an ineffective prosecution of Senator Wheeler of Wyoming, who was active in the inquiry both in its judicial and congressional phases. Charges were made that several prominent Democrats, including McAdoo, had been attorneys for various oil concerns and, although these gentlemen explained that their work had been that of the ordinary lawyer, the charges prevented any careless handling of the subject for political purposes.

After a lapse of several years, during which the affair was dragging through the courts and appearing from time to time in congress, another chapter was added when Sinclair was sentenced to a ninety-day jail term for contempt of the senate. In November, 1929, Fall was found guilty of receiving a bribe of $100,000 from Doheny in leasing the Elk Hills naval oil reserve, while in March, 1930, Doheny was acquitted of the charge of giving the bribe.

The Campaign of 1924

One of the most amazing things about the oil scandals and the other unsavory revelations about the Harding administration was that they had so little effect on the campaign of 1924. To some degree this came from the Democrats' fear that they might be playing with fire. More potent was the fact that Calvin Coolidge, who succeeded to the presidency on the death of Harding, was not connected with them, however much he may have suspected what was going on. The new president was an enigma in spite of the fact that he had been in politics from shortly after he was graduated from Amherst in 1895. He had filled several positions in Northampton, where he had settled to practice law, before he became mayor of that city; he had been a member of the lower house of the Massachusetts General Court and later was in the senate and then the presiding officer of that body; thereafter he was lieutenant-governor and finally governor of the state. He said little, never using two words where one would suffice. He had no popular appeal in the ordinary sense, nor was he backed by the Republican hierarchy headed by Henry Cabot Lodge. Nevertheless he had unquestionably gained a tremendous hold on the imagination of the people of his state who somehow came to look upon him as the embodiment of all the good old New England virtues, prominent among which was a strong sense of economy which his opponents sometimes called penuriousness in him. Economy, however, was a taking watchword in 1924 for the demand for decreased expenditures and lower taxes would get enthusiastic support from a people not, at that time, conspicuously practicing that virtue in private life.

As president, Mr. Coolidge pursued a course eminently conservative and especially pleasing to interests which deplored too much interference of government with business. He retained Secretary Mellon in the treasury department and Mellon sympathized with his chief's desire for economy and reduction of taxes so far as this could be done without interfering with plans for decreasing the national debt and balancing the budget.[1] On his recommendation congress from time to time reduced the rates on many of the items of internal revenue, notably on incomes where the limit of exemption was raised, rates on the smaller incomes decreased and surtaxes on the larger ones heavily cut. Many of the "nuisance" taxes were abolished altogether.[2]

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[1] In 1919 the public debt of the United States stood at $25,482,034,419. Steady retirement of bonds during the next ten years brought it down to $16,931,088,484 on July 1, 1929.

[2] Internal revenue was at its highest point in 1920 when it amounted to $5,407,580,282; in 1929 it was $2,939,054,375. Income from customs duties, however, was generally increased owing to the new tariff act and the lavish expenditures of the American people; in 1929 it was $602,262,786, an amount just under the peak which was reached in 1927.

Secretary Hoover was retained in the department of commerce, Hughes served out the four years of the Harding-Coolidge administration and the rest of Coolidge's cabinet, freed from the men who had been a burden to Harding's, stood for the same sort of conservatism that the president did. Business had been recovering rapidly from the temporary slump, except in agriculture and certain industries which were affected by factors which no tariff could remove. Under the circumstances the Republican party, more than content to let well enough alone, determined without dissent, except from the recalcitrant agricultural areas, to continue Coolidge in office. His nomination in 1924 was a foregone conclusion and his election practically assured, especially when General Charles G. Dawes with his war record, his connection with German reparations and his picturesque personality, was selected for the second place.

The Democratic party, hoping for an opportunity to pick up stray votes from the discontented in spite of the bolt by the followers of Senator La Follette, cheated out of the campaign material furnished by the scandals of the Harding régime, faced an internal split which again almost disrupted the party and did lose it much support. The rock on which the split came was that which had been dodged in 1920, prohibition. The south, stronghold of Democracy since Reconstruction, was dry politically and thoroughly permeated with the spirit of the Ku Klux Klan, an organization which stole the name and bizarre actions but not much else from the earlier Klan and was anti-Catholic, anti-foreign and sometimes anti-Negro. The larger cities of the country had a Democracy in favor of modifying the prohibition enforcement laws and largely supported by elements which were anti-Klan. The favorite son of the second faction was Alfred E. Smith (Al Smith) governor of New York and a product of New York City, representing, in the eyes of much of rural Democracy, Tammany Hall and all that Tammany had stood for, since these outsiders little realized that Governor Smith dominated his organization and was using its strength to support him in giving the Empire State an administration at once clean and progressive.

Rural Democracy pinned its faith to William G. McAdoo, now an adopted son of California. Between the Smith and McAdoo factions the party was torn and this divergence showed up in the convention where for ballot after ballot in a sweltering July the struggle went on with neither side able to gain a decided advantage although Bryan used all his eloquence and influence to swing support to the dry candidate. At last, hopeless of selecting either man, and with the country weary and disgusted as it followed by radio and newspaper the unedifying spectacle, the convention patched up its differences long enough to nominate John W. Davis who had been ambassador to Great Britain after Page's retirement. By this time whatever initial advantage the Democrats had, and it was little enough, was lost and both candidate and party entered the campaign with little hope of doing more than preserving the identity of the organization. Liberals who could not support Coolidge turned to La Follette rather than to Davis and gave the Wisconsin man his four million votes, more than half as many as Davis received. Both together made but a feeble showing in comparison with the seventeen millions piled up for Coolidge and Dawes.

The Coolidge Era

The country was safe once more. Business, already on the upward trend, began to boom particularly in the newer industries led by the automobile. Stocks rose to unprecedented heights; speculation was rampant; unemployment seemed to decrease, although to what extent it was impossible to say since the United States had only guesses and no statistics of nation-wide significance on this subject. The president continued on the course he had already adopted,[1] issuing from time to time his statements on questions of national significance through the fictitious "official spokesman of the White House," statements which newspaper correspondents interpreted and elaborated in such a manner as to create in the popular imagination a figure at once enigmatic and profound, a legendary Coolidge who became as real to the average man as his own neighbor. Had it not been for this newspaper creation the country might well have forgotten for months at a time that there was a president, while attention was concentrated on the affairs of workaday life. Far more real interest was roused by the daily job, the price of stocks, Lindbergh's spectacular flight across the Atlantic in 1927, the disastrous floods in the lower Mississippi Valley, the visit of a German Zeppelin to the United States, Commander Byrd's Antarctic explorations, radio programs, Henry Ford's closing his factories to make ready to turn out his "Model A," and the thousand other details of life in the twentieth century.

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[1] Hughes was replaced as secretary of state by Frank B. Kellogg who returned from London where he had been ambassador, succeeding Colonel Harvey appointed by Harding.

Criticism, of course, was not lacking. The government's foreign policy frequently came in for strictures, although it would be rash to assert that any large portion of the people was vitally stirred by such things; the perennial question of what to do about the farmer was still unanswered; the formation and growth of larger and larger organizations in manufacture, banking and merchandising caused some to ask whether the anti-trust laws were ineffective through lack of enforcement or because they were not enforceable. In short, stand-pattism was not quite so universally in evidence as it had been during the first years after the war.

There was the ever-present question of prohibition enforcement. Millions had been appropriated to make the country dry, but it was patent that where prohibition did not have the sentiment of the community behind it, liquor was being made, imported, sold and consumed. The drys maintained that enforcement, while not complete, was gaining; that more money and greater vigilance on the part of officials would do the job, and they secured the Jones Act as an amendment to the Volstead law to make restrictions more binding. The wets as vigorously asserted that not only was no progress made, but the situation in general was becoming worse through corruption of officials and growing disregard of law. In the states where this feeling was predominant, as in New York, the legislatures left enforcement entirely to federal authorities. Much of the criticism from both sides was directed against the departments of the treasury and of justice, both of which had a hand in carrying out the law.

The Campaign of 1928

Despite all the criticism, however, it was fairly evident that for a variety of reasons the majority of the people were content to let political affairs remain much as they were. They were not inclined to oust the Republicans nor to change presidents. It needed only a word or a gesture from Mr. Coolidge to indicate that he was receptive to start a movement which would give him another nomination. The sign was not forthcoming, perhaps, as some suspected, because the president, by delay, could blast certain political aspirations, perhaps because he was uncertain whether another nomination would raise the question of a third term. In 1927 Mr. Coolidge selected as his summer capital a place in the Black Hills in the heart of agrarian discontent and where La Follette had had his strength in 1924. If it was his purpose to win over the west it is evident that he sensed failure, for, early in 1928, laconic as ever, he announced, "I do not choose to run." Did this mean that he would not accept the nomination if proffered, or was it a flat refusal to allow his name to be used? He would not elaborate and he would not explain until, on the very eve of the convention, he made it clear that he was not a candidate. If, as some charged, this was a device to eliminate General Dawes and others from the running and make the nomination of Herbert Hoover secure, it was completely successful, for the ~~Republican convention chose Hoover and Senator Charles~~ Curtis of Kansas as candidates. Farm relief, although not by the McNary-Haugen route, and prohibition enforcement stood foremost in the platform.

The Democratic dilemma was a repetition of what it had been for two compaigns: urban Democracy was for Smith, modification of the Volstead act and repudiation of the Klan and all that this organization stood for; rural Democracy backed the Eighteenth Amendment and McAdoo. The situation was not the same as it had been in 1924: Bryan was dead; Governor Smith had become a national figure respected for his political genius, his opposition to private power monopolies in his own state and generally for his frank and unquestioned honesty. The growth of his popularity was indicated by his nomination despite the opposition of southern delegates who distrusted him as a Catholic and feared his wetness.

In 1928 people had the satisfaction of knowing that whether they voted a Republican or a Democratic ticket they were voting for an able man, with a record of constructive achievement behind him, who promised an honest and probably forward-looking administration. For the first time in years there was a contest in personalities each worthy of the other's steel. As to principles involved there was only one that clearly divided candidates and platforms, prohibition. If the Republicans promised more in the way of protection, the Democrats were not far behind for they had completely cast aside their former opposition on constitutional grounds and declared that no legitimate industry had anything to fear from them. Both promised farm relief and both were lacking in definiteness when it came to telling what, exactly, would be done; probably Hoover, who was born in Iowa and had, in his youth, come a little in contact with farm life, was more trusted on this point than Smith, city-bred with an urban outlook. Hoover the engineer with world-wide experience in big business faced Smith the professional politician; Hoover, a dry Protestant, opposed Smith, a Catholic with no convictions for prohibition.

The campaign was unique in the interest it aroused. For the first time the radio was employed extensively in a presidential campaign and millions of people heard the voices of the candidates. Undoubtedly more men and women followed each nominee through his speeches which they heard or read than ever was the case before. Smith made more addresses and probably lost support as the campaign advanced; Hoover talked less and exposed himself less to criticism. Neither, when it came to outlining specific programs, was particularly explicit. Hoover was the favorite of the business man; it was the day of the business man and here was a chance to put into the White House one of his own kind who had come into politics by a side door and, as it were, incidentally. But of all the forces which worked against the Democratic and for the Republican candidate none were stronger than religious prejudice and dry fanaticism. The south, Protestant and dry, broke from the Democratic column as it had never done before since the days of Reconstruction. Virginia and Texas actually gave their electoral votes to Hoover and all the border states turned their backs on Democracy. Rhode Island and Massachusetts, with their urban population and large numbers of Irish, French Canadians and Italians, went over to Smith who carried only six other states, Alabama, Arkansas, Georgia, Louisiana, Mississippi and South Carolina. Women, from the incomplete and unsatisfactory evidence available, voted for Hoover overwhelmingly.

CREAKING OF POLITICAL MACHINERY

After the World War broke out in 1914 attention paid to problems of governmental machinery was slight as compared to that between 1900 and 1914. Only occasionally did the work of civic bodies, prominent among them being the League of Women Voters, bent on improving state and municipal government, gain the front pages of the newspapers. Most of the changes effected before 1914 were retained but there was little inclination to inaugurate others. Perhaps this was due not only to an aversion from stirring up existing conditions but to a realization that some of the changes had not produced anticipated results. No remarkable improvement in the calibre of officeholders had come from direct primaries; there was, on the other hand, no marked deterioration. In fact those who maintained that the kind of political machinery made little difference could find many arguments to support their contention when they considered the working of the new-fangled ideas. While direct legislation no longer aroused much discussion and its extension was not pressed, direct primaries came in for more criticism than all the other new devices not only because they carried into office some conspicuously unfit persons but because they led to the spending of large sums of money, amounts larger than the public was accustomed to think of in this connection.

Truman H. Newberry was elected in 1918 as one of the senators from Michigan. There was some opposition to his being seated because charges were made that he or his supporters had spent some quarter of a million dollars in the primary election. He was allowed to take the oath and his vote came in handily when the Republicans organized the senate and chose the committee on foreign relations. Later Newberry and his associates were prosecuted on criminal charges before a federal district court and found guilty of using money improperly in the election; the Supreme Court, however, threw out the case since, in its opinion, primary elections were not subject to federal jurisdiction. The case played a part in the election of 1922 for of twelve senators who voted to seat Newberry and were up for re-election, nine were defeated and one, Lodge of Massachusetts, ran behind his ticket and won only by a narrow margin. Newberry resigned his place before the senate could take action.

A somewhat similar situation came as a result of the 1926 election in Pennsylvania of William S. Vare for whom, it was alleged, something like a million and a half dollars were spent. The senate refused to face the issue during one congress and it was not until in the special session of 1929 that this body finally decided that Mr. Vare was unworthy to be a member. Thereupon the governor of Pennsylvania promptly appointed Vare's principal backer, Joseph R. Grundy, vice-president of the American Tariff League, to fill the place until the next election should choose Vare's successor.

Reprehensible as may be the expenditure of large sums in campaigns, it remains true that much money has to be spent if a candidate for any important office is made known to the voters. Drawing the line between legitimate and illegitimate expenses becomes a delicate operation. Probably it will not be long before the American people become accustomed to thinking in terms of millions, and it is equally probable that if the Newberry case had come in 1930 instead of 1918, it would have aroused little excitement.

BIBLIOGRAPHICAL NOTE

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XXXI

THE UNITED STATES AND THE WORLD

If politics engaged the attention of most people only in the intervals between more pressing affairs, except where there was a special axe to grind, government, the outward and tangible manifestation of politics, affected every citizen in innumerable if not always direct ways. Government was and is always most successful where it puts into effect the consensus of opinion already formed. This is probably the explanation why, in the years after the senate rejected the treaty of Versailles, the United States pursued a course not always marked by the consistency of a fully developed policy; public opinion had not crystallized and both executive and congress gave evidence of not being sure what they were to represent. At some points it was fairly clear what was wanted: the belief in keeping out of "entangling alliances" was strongly if not always intelligently held, hence both department of state and congress gave at least lip service to this policy; the Monroe Doctrine, variously interpreted as it might be, must not be infringed; and nothing must be allowed to endanger the Canal, so a fairly consistent Caribbean policy could be expected.

International Economic Bonds

Devotion to phrases which, though very real, were, after all, only formulae, did not point the way through a maze of intricate problems nor necessarily take account of changing conditions. The war, as it has been emphasized before, radically modified the economic relations of the world. Into the United States, for nearly three years the most powerful neutral, flowed stocks, bonds and gold to pay for supplies which war-weakened countries must have. After the war the same process continued so that the United States became a creditor to most of the rest of the world, supplanting in some degree England, France, Germany, The Netherlands and all other countries which earlier had a surplus to send abroad. In part this export of American capital was directly from the government of the United States to the governments of Europe. A total of ten billion dollars was owed to the United States when steps were taken to come to a settlement with the debtor nations. Although there were many who believed that no injustice would be done if these obligations were materially reduced or even cancelled, both the Harding and the Coolidge administrations took the stand that this money, or the things the money stood for, had been borrowed and must be repaid, according to the capacity of the borrowers to repay. The matter was taken up through diplomatic channels with the result that, between 1923 when Great Britain came to an understanding and 1929 when Greece finally made her adjustment, all these debts were funded in a sum a little over eleven and a half billion dollars including principal and interest. The treaties, in which these agreements were incorporated, provided for spreading payments over a long period of time, in some cases as much as sixty-two years. To July 1, 1929, approximately a billion dollars had been repaid.

In some instances, notable in the case of France, repayment to the United States was bound up with reparations to be received from Germany, for the French were convinced both that Uncle Sam was driving a hard bargain, and that they could not meet the terms of the treaty, signed in 1926, unless they were guaranteed larger payments from their former foe. The treaty of Versailles stated that Germany had been responsible for the war and must repay its costs, so far as this could be done in goods or money; it did not fix the amount and so left an irritating issue that rankled and is still not finally settled. Conference after conference was held at each of which the United States was represented although not in an official way since it maintained "the traditional policy of abstention from participation in matters of distinctly European concern," although it was always ready "helpfully to co-operate in the deliberation upon these questions." [1] The first definite plan for handling reparations was worked out in 1924 by a group of experts, among whom were General Charles G. Dawes, president of the Central Trust Company of Chicago, and Owen D. Young, president of the General Electric Company of New York. The Dawes Commission made a report in which were an estimate of Germany's capacity to pay without too seriously impeding her economic rehabilitation or upsetting the economic stability of other nations, the outline of a plan for stabilizing Germany's currency, and a statement of the amounts in goods and money which must be paid each year to each of the allied powers. It also devised a scheme by which the payments could be made; Germany was enabled to float loans secured by much of her tangible assets, including her railroads. When the Dawes Plan was put into operation an American was selected to supervise its administration.

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[1] Secretary Hughes to the British Ambassador, May 6, 1921.

In 1928, pursuant to the provision in the Dawes Commission's report, another Commission was assembled to work out modifications in the plan. This time Owen D. Young was chairman, and the Young Plan spread Germany's payments, which were reduced from the figures of the Dawes Plan, over a period of sixty years, those of the last twenty-two years being subject to modification if the United States would agree to a reduction of the allied debts. The Young plan made it possible for France, where one government after another had fallen in an attempt to get the agreement ratified, to give its assent in 1929 to the debt accord with the United States.

The allied debts formed but a part of the financial and economic bonds which linked America with the rest of the world. More surplus for investment was found in the United States than elsewhere and some of this surplus could earn greater returns abroad than at home. The inevitable result followed; every year found the total amount of foreign investments appreciably increased. From 1925 to 1929 they increased by a billion to a billion and a half annually, amounting, at the end of 1928, to over fifteen and a half billions.[1] They were in various forms, loans to national and local governments through the purchase of bonds, buying of securities in public utilities, in mercantile and manufacturing enterprises, or developing rubber plantations in Africa, opening iron mines in Cuba, growing fruit in the West Indies and Central America and establishing American manufactures abroad. Automobile manufacturers had branch plants in Canada, in England and elsewhere and General Motors purchased the Opel motor works in Germany; packers prepared beef and hides for market in the Argentine; International Harvester made agricultural machinery in Russia; Standard Oil and its American rivals invested millions of dollars all over the world competing with Royal Dutch Shell and other foreign concerns. All these ties, added to a foreign trade running into the billions each year, pointed inescapably to an interweaving of American life with that of the rest of the world despite a determination to stand aloof from political connection through the League of Nations.

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[1] In 1913 American foreign investments amounted to about two and a half billions, while England's were about twenty billions.

International Co-operation

Even in the case of the League, while every administration refused to take a step which would make it appear that the United States gave formal adherence in any way, there was evidence of steadily growing co-operation. After a period of some two years in which the department of state either ignored or gave only formal acknowledgment to communications from the League it became apparent that numerous questions in which the United States had a vital interest were being considered by various groups under the auspices of this same League, whereupon "observers" were appointed by the president to see what was being done. In 1925 official American representatives sat with delegates from members of the League to discuss traffic in arms and to consider the problem of opium trade. Between 1925 and 1930 the number of meetings called by the League and attended by official American delegates increased, and during the same period unofficial co-operation was of frequent occurrence. The department of state always emphasized its willingness to co-operate in non-political activities, but it was noted by foreign observers that this co-operation was usually readiest where American interests were involved. Moreover it was frequently difficult to point out the differences which distinguished activities which were purely economic from those which had a political tinge. It required considerable imagination to grasp the fact that there was no political implication or significance in a Transit and Communications conference or in a Preparatory Disarmament discussion, yet these were two of the four conferences summoned by the League and participated in officially by the United States in 1927.[1]

In one respect the efforts of the United States and of the League may be said to have run on parallel or perhaps on competing lines. To narrow the limits of wars and, as far as possible, prevent their occurrence was the principal object of those who framed the Covenant; the United States had always proclaimed a desire to encourage the use of instrumentalities which would render war unnecessary in adjusting international disputes. At the same time congress was declaring hostilities with the Central Empires at an end, yet claiming all the advantages which might have accrued under the treaty which had been rejected, Senator Borah, one of the most irreconcilable opponents of the League, proposed as an amendment to the navy appropriation bill a resolution recommending the call of an international conference on reduction of armaments. This resolution stimulated President Harding's invitation, extended on June 10, 1921, to the governments of Great Britain, France, Italy and Japan to send delegates to Washington the following winter. Later China, Holland, Belgium and Portugal were included in the invitation since questions affecting the Far East were added to the agenda.

Recognizing the advantage of having a definite program at the outset, Secretary Hughes, in his first address as chairman of the conference, proposed that the United States, Great Britain and Japan put an end to competition in building capital ships and agree upon a definite ratio of strength even though it meant scrapping some vessels. After a long discussion a 5–5–3 program was adopted by these three nations; Great Britain and the United States were to have reduced fleets of battleships of approximately equal size while Japan should have three-fifths the strength. Italy and France, never having had a large equipment of capital ships, were content with a still smaller ratio. When it came to limiting submarines and aircraft, however, there was no unanimity for France insisted on a large increase in these newer weapons which had proved their value during the war. Much argument brought no agreement and the matter was dropped.

In dealing with problems of the Far East the conference evolved two treaties. One, the Four Power Pact between England, Japan, France and the United States, bound each to respect the possessions of the others in the Pacific; all disputes arising in that area should be submitted to conferences, whether or not other powers might be involved, to find a satisfactory solution. The treaty put an end to the Anglo-Japanese alliance, which had been a matter of some concern to the United States, and set a limit to fortifications in the East which meant, among other things, stopping the construction of a great naval base in the Philippines. The other treaty stipulated that there should be equality of treatment of the various nations in the use of cable and wireless facilities on the island of Yap which had gone to Japan, along with the other German islands in the north Pacific, by the terms of the treaty of Versailles. This agreement paved the way to another treaty between the United States, Japan, Holland, Italy and England by which cables formerly owned by Germany were apportioned among the signatory powers, the United States receiving the one connecting Yap with Guam.

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[1] See two articles on "The League of Nations and tbe United States" by H. V. Kaltenborn and John H. Clarke in *Current History* for January, 1930.

The London Conference

The naval agreement reached at Washington was to have a duration of ten years with the expectation that another conference would carry the work of reducing the burden of naval defense still further. As a step preliminary to a second conference the League called a meeting for 1927 to work out a tentative program, but at Geneva the delegates became entangled in a discussion which proved a stalemate and dispersed without having accomplished anything. One of the stumbling-blocks was the inability of England and the United States to get together on a cruiser program: England with its far-flung empire and numerous trade routes wanted a considerable number of 6,000-ton cruisers; the United States, with different problems, desired a smaller number, but of the 10,000-ton class with heavier guns. In part the fiasco was the result of having no clear-cut program before the conference assembled. Another difficulty came from the predominance of naval experts whose views did not coincide with those of civilians.[1]

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[1] In September, 1929, when the investigation of lobbies was going on in Washington, it came out that William B. Shearer had been employed by three American ship-building firms to take a hand in the Geneva conference. According to the testimony of the president of one of these companies, Shearer "wrecked the conference."

The failure at Geneva was a severe blow to those who felt that the time was at hand when much less money should be spent on the instruments of war and war itself should be made less probable by further eliminating rivalry in armaments. Pessimism was, however, somewhat mitigated throughout 1928 by indications of a determination not to let this setback have permanent effects. A visit of England's Labor Premier, J. Ramsay MacDonald, to President Hoover in October, 1929, and reports that they had come to an accord on some phases of the problem, still further raised expectations, so that, when the second conference met in London in January, 1930, the outlook was brighter.

It was not, however, a foregone conclusion that the conference opened by King George's speech, sent by radio throughout the world to those who would listen, was bound to fulfil the hopes of the proponents of disarmament and world peace. While it was recognized everywhere that a failure to accomplish something positive, something more far-reaching than anything before, would in all probability result in new naval competition, some of the preliminary exchanges had been most disquieting. England and the United States, by diplomatic and personal interchanges, had partially cleared the way for an understanding. France and Italy, on the other hand, not only were rivals in the Mediterranean but desired an arrangement that would allow them practically unlimited scope for submarine development. "Global" tonnage rather than tonnage by categories would suit their purposes. Japan, too, thought that a larger ratio of capital ships should be allowed her than that fixed by the Washington agreement. Besides all this France, in a memorandum issued in December, 1929, insisted that any naval treaty must form part of a general disarmament agreement under the auspices of the League. The conferees struggled for three months and worked out an understanding between the United States, Great Britain and Japan whereby the Washington ratio of 5–5–3 was changed to 10–10–7 and the cruiser problem was solved. France, however, was unwilling to accept parity with Italy unless it should be accompanied by a security agreement which, savoring of an "entangling alliance," was not acceptable to the United States nor much desired by Great Britain. The treaty, publicly acclaimed as a great achievement bound to save hundreds of millions of dollars, was a profound disappointment to those who had hoped for substantial naval reduction and a truce to competitive armaments.[1]

THE PACT OF PARIS

There is no question that between 1919 and 1930 the attitude of the civilized world toward war presented an impressive change. The Covenant of the League specifically recognized the legitimacy of armed conflict under certain conditions, but both the Council and the Assembly of the League had been moving steadily to a position which denied the legality of war as an institution. In 1925 the Geneva Proctocol was formulated and presented to member nations for ratification. According to this, war was outlawed: all legal disputes should go to the Permanent Court of International Justice and other differences to arbitral tribunals, and in both kinds of cases the awards should be binding on all parties. Of the great powers only France ratified the Protocol, for the others, notably England, believed that it would be only a futile gesture unless the United States and possibly Russia could be brought in. The basic idea, however, persisted and led to the Paris Pact of 1928. The suggestion which resulted in this instrument came from Premier Briand; it was taken up by Secretary Kellogg and formally presented by him to the various governments which, after considerable diplomatic interchange, united in signing, on August 27, 1928, a multilateral treaty. This instrument pledged the signatory powers "to condemn resort to war for the settlement of national policy; and to agree that the settlement of all disputes of whatever nature or whatever origin which may arise among them shall never be sought except by pacific means." [2]

One nation after another ratified the Pact, the resolution of the United States senate being adopted in January, 1929. Rightly hailed as a move toward international peace, the Pact itself was little more than a formula, a gesture, unless it should be backed up by a determination on the part of people that it should mean what it said. This determination in turn had to work out through agreements supported by sanctions, for the Pact itself was not self-enforcing. Thus it is that disarmament understandings supported by actual performance, arbitration agreements that bind, and various instrumentalities for adjusting disputes before they ripen into war, must carry into effect the lofty intent of a sweeping pronouncement like the Pact of Paris.

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[1] The conference between Hoover and MacDonald had been a stumbling-block in that it raised suspicions of an Anglo-American agreement pointing to a new balance of power system.

[2] Since Secretary Kellogg made the formal proposal and the negotiations headed up in Washington, national pride caused Americans to refer to it as the "Kellogg Pact"; the rest of the world called it the Paris Pact. The work of Professor J. T. Shotwell, as representative of the Carnegie Endowment for International Peace, in preparing the ground for a favorable reception of the idea is little known but none the less of great significance.

America and the World Court

One instrument of this kind was outlined in the Covenant of the League. A detailed Statute of the Permanent Court of International Justice was framed by a body of international jurists among whom was one American, Elihu Root. It was approved by the Council in December, 1920, the members of the court were elected by the Assembly the next September, and the court held its preliminary session in January, 1922.[1]

In February, 1923, President Harding submitted the Protocol to the senate and recommended adherence of the United States subject to four conditions formulated by Secretary Hughes. In December President Coolidge renewed his predecessor's recommendation. Both political parties in their 1924 platforms approved the idea, and the president reiterated his suggestion in his annual message of 1924, in his inaugural address in March, and again in the annual message of 1925. Public opinion as represented by numerous organizations all over the country backed the proposal until more pressure was brought to bear on the senate than probably ever had been before. Finally, on January 27, 1926, the senate adopted a resolution advising and consenting to the Protocol of 1920 on five conditions: adherence was not to be construed as constituting any relation or obligation to the League on the part of the United States; the United States should participate on an equal footing with members of the League; congress should determine and appropriate a fair share toward the expenses of the court; the United States might withdraw at any time and the Protocol should not be amended without its consent; and the court should not render advisory opinions without notifying nations whose interests might be involved, nor, "without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest." Rejecting a proposition that the conditions be considered by a conference of representatives of the signatory powers and the United States, Secretary Kellogg maintained that the changes "must be accepted by the exchange of notes between the United States and each one of the forty-eight states signatory to the statute before the United States can become a party and sign the Protocol."

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[1] John Bassett Moore was one of the original bench. On his resignation in 1928 his place was filled by the election of Charles Evans Hughes who held the position until he was nominated as Chief Justice of the Supreme Court when William Howard Taft resigned in February, 1930.

In September, 1926, the signatory states had a conference at Geneva; the delegates considered the American conditions and made a Preliminary Draft of a Protocol which was soon accepted by twenty-four states. Nothing more was done in Washington until February, 1929, when Secretary Kellogg suggested to the Secretary-General of the League that the United States accept the proposition of the Draft Protocol subject to an informal exchange of notes with the signatory powers to clear up some points of uncertainty. In March President Hoover endorsed the idea that the United States should adhere to the court. A few days later a committee of jurists, including Mr. Root, met at Geneva, redrafted the Protocol and adopted the "Root Formula" redefining his country's stand on advisory opinions. In August the signatory powers were again represented at Geneva and drew up a Protocol for the accession of the United States. In November Secretary Stimson informed the president that he believed the interests of the country had been safeguarded and then, on December 9, 1929, the American chargé at Berne signed the Protocol of Accession, the Protocol for the Statute, and the Protocol for the revision. At last the tedious process had been completed and only affirmative action by the senate was needed to make the United States a member of the World Court.

Diplomacy of Economics

Questions of joining the World Court, or reduction of armaments or of pacts to outlaw war overshadowed routine matters, at least in public estimation, nevertheless the department of state and American representatives abroad found more than enough to keep them busy dealing with the multifarious issues which increasing economic interdependence entailed. There was, as has already been shown, a strong tendency in the United States toward further protection through the imposition of higher customs duties on imports. The Fordney-McCumber act not only incorporated this tendency but it reversed a policy followed by the United States from the time it began to make and interpret treaties. Down to 1922 reciprocal tariff arrangements were the rule; in other words each administration adopted the *conditional* interpretation of most-favored-nation clauses which meant that concessions were granted only in return for concessions. All through this period nearly every other country of the world followed the *unconditional* doctrine of granting automatically to all nations, whose treaties had a most-favored-nation clause, every concession extended to any one country. With the Fordney-McCumber act congress abandoned the bargaining policy and the department of state procedeed to secure modifications of existing treaties to conform to the change. France, however, had shifted her tariff to the bargaining basis, and it so happened that between the United States and France there was no commercial treaty in force having a most-favored-nation provision. Consequently in 1927 France, none too well pleased with the stand of the United States on the debt, could and did use the situation to try to secure certain concessions. An adjustment was patched up to relieve the situation temporarily.

International aspects of the tariff cropped up in other ways. There was talk of a European customs union to combat the effects of American duties by tearing down tariff barriers between neighboring states. When congress in 1929 showed its inclination to raise duties still higher, in Canada and in various European countries where American manufactured products were finding a profitable market serious consideration was given to possible retaliation; American automobiles, for example, might be taxed more heavily. Such a suggestion created consternation among those likely to be affected but it did not seem to make them willing to face a reduction of American duties. The very delay which attended the proposed tariff legislation had its foreign aspects, although technically the failure to pass a law could not be the cause of a formal complaint; nevertheless, the uncertainty created an uneasiness and a hesitation, for, while domestic and foreign producers could adjust their plans to any kind of a tariff, no one would dare to map out a long-time program when it was not known whether rates would go up or down or remain unchanged.

A problem of another sort arose in connection with Russia. The overthrow of the Tsarist régime and establishment of a communist government brought to an end diplomatic relations with other countries. When it appeared that the Soviet organization was likely to continue many of the European nations recognized it as a *de facto* government. Not so the United States. On the ground that Russia refused to meet her international obligations, for the debts of the Tsarist period were declared void, and spread communist propaganda in other countries, Secretary Hughes refused to resume diplomatic relations. Despite much objection to this stand as radically departing from the policy pursued from the time France did away with her Bourbon king and set up a republic, as well as having none of the particular reasons which might explain non-recognition of governments in the Caribbean region, succeeding secretaries of state sustained the position taken by Mr. Hughes, and the greater part of public opinion in the country undoubtedly approved it. Nevertheless, without treaty protection, Americans as individuals have received concessions from and established business relations with Russia, and, from time to time, even the government of the United States has asked favors from the Soviets.

Mexico Again

When it came to Latin America and especially to the Caribbean and Gulf region no argument was needed to convince most people that here were matters of definite interest to their government, even though there might be a question about the significance of the European issues in their minds. The war had pushed into the background Mexican and Central American issues, although this did not mean that their problems had been solved. In Mexico Carranza's government was struggling with revolts, attempting to restore domestic order and generally trying to bring about conditions which would ensure economic stability and progress. Arrayed against Carranza were such leaders as Villa, Felix Diaz, or Manuel Pelaez who controlled the region about the Tampico oil fields, while the Zapatistas, deprived of their chieftain in 1919, persisted in their guerilla warfare and banditry. Starting in Sonora in April, 1920, a serious revolution swept rapidly over the land; politics played as usual a large part in starting it, but there were also real issues affecting the lives of the people, for labor claimed that it was not being treated fairly and no great progress had been made in settling the land question. Moreover there was evidence, not always very tangible, that outsiders with an economic stake in the country would not be sorry to see an end of Carranza's domination.

By the end of April the insurgents had organized a government with the governor of Sonora as Chief Commander; Carranza, deprived of his military support, fled from Mexico City which was occupied by General Alvaro Obregon and General Gonzales, and, before the end of May, was killed. Adolfo de la Huerta was made provisional president but the real power was in Obregon's hands.

Once more Mexico seemed to be back where it had been in 1911. Obregon, who was elected president in September, tried to have his government recognized by foreign powers, promising that order would be restored and that lives and property rights would be protected. As usual recognition by the United States was most important, but this did not immediately follow. Aside from the question as to whether the new government was going to be any more stable than its predecessors, there was a matter of rights of foreigners alleged to be endangered by parts of the Mexican constitution which had been adopted May 1, 1917. In particular this constitution asserted the nation's ownership of land and natural resources and prohibited the alienation of subsoil rights, something which struck immediately at the oil companies in particular and which raised the question whether concessions and purchases before the adoption of the document would be considered valid. Obregon faced the century-old problem of trying to maintain a stand against foreign encroachment which would give him the support of Mexicans while at the same time satisfying the governments of foreigners who had invested money in Mexican enterprises. A decision of the Mexican Supreme Court in 1921 declared that the constitution was not retroactive and this, aided by the support of people in the United States who deprecated constantly recurring talk of intervention, paved the way to the Bucareli conference of 1923 where American and Mexican commissioners threshed out the controversial issues to a point where the administration was induced to recognize Obregon and resume diplomatic relations with his government.

For two years the oil issue slumbered and Mexican-American relations appeared to be on a better footing than they had been since the days of Diaz. These halcyon days, however, were too good to last. In December, 1924, Plutarco Elias Calles, with the active support of Obregon and advocating a radical program of labor and agrarian reform, was elected president. Shortly after his inauguration President Coolidge appointed James R. Sheffield as ambassador to replace Charles B. Warren. Almost immediately the political pot was boiling again. Sheffield, evidently falling under the influence of the interventionist faction in Mexico, deluged the department of state with despatches portraying the perilous condition of his countrymen and their property in Mexico and urged a strong policy. In June, 1925, Secretary Kellogg puzzled and startled public opinion both at home and in Mexico by a communication in which he stated that "Mexico is on trial before the world," that his government would "continue to support the government of Mexico only so long as it protects American lives and American rights and complies with its international engagements and obligations."

Not only did President Calles resent and repudiate the implications of this statement, but in the United States there was more opposition than support for Mr. Kellogg. From June, 1925, to the summer of 1927 an interchange of notes went on with the situation complicated by several factors which bore more or less directly on the immediate issue which was raised by the promulgation of the Petroleum Law of December, 1925, and the Petroleum Regulations of the following April. These two enactments appeared to repudiate the understanding reached at the Burareli conference in that they seemed to limit the rights of foreigners acquired before May, 1917. Ambassador Sheffield's activities did nothing to relieve the situation but seemed rather to aggravate it. Alarm increased because of labor and other reforms introduced by Calles, frequently to the pecuniary disadvantage of foreigners who had invested capital in divers economic enterprises. Then, along with all this, came a new revolutionary movement having considerable support from the Catholic church in Mexico. Since the church had almost uniformly opposed all democratic tendencies and in this opposition had been associated with landed and other vested interests, the constitution of 1917 had made it possible to curb the organization in a drastic fashion. Nothing had been done until the Calles administration to put these clauses into effect, but now restrictive legislation of the most severe type was enacted. To those Mexicans who believed this legislation was necessary it appeared that there was a reactionary movement on foot backed by the church, the oil men, landed interests, in short the whole group which had been behind Diaz, and that these forces had the sympathy of the United States administration.

The first rift in the clouds came with the appointment in 1927 of Dwight W. Morrow as ambassador in place of Sheffield. Morrow was able to convince President Calles that the Washington administration had no desire to intervene in Mexico, that it desired only to protect what it believed were the legitimate rights of American citizens. He was able to counteract the deleterious effects of the diplomacy of the past two or three years and in November, 1927, tangible results of his work appeared in a new decision of the Mexican court which upheld the claims of owners and lessees of oil lands who had received their concessions before 1917. This was followed by a federal act, advocated and approved by Calles on January 3, 1928, repealing the obnoxious parts of the petroleum legislation of 1925. Mr. Morrow was also instrumental in effecting a *modus vivendi* between the Mexican government and the church by which the state's sovereignty was recognized by the church which could pursue its spiritual activities in peace. Once more, then, relations between the neighbors on the Rio Grande assumed a more promising aspect; bases for misunderstandings were not, of course, all removed, but the outlook was brighter than it had been since 1910.[1]

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[1] In 1928 Obregon was elected to be president at the expiration of Calles' term. In July he was killed by a Catholic fanatic. Calles assumed extraconstitutional control and secured the election of Portes Gil. In 1929 Ortiz Rubio was elected and became president early in 1930. An unsuccessful attempt was made to assassinate him at the time of his inauguration. Rubio was generally recognized as Calles' man, and Calles may be said to have become a second Diaz.

Caribbean Entanglements

One of the disturbing elements in the Mexican tangle had been the attitude of the Calles government toward Nicaraguan affairs, particularly during 1926 and 1927, and the bearing of this on relations with the United States. Ever since American intervention in this Caribbean republic, and especially after the ratification of the Bryan-Chamorro treaty of 1916 with its canal provision which had aroused the fears of Honduras, Costa Rica and El Salvador, Central American politics had been in a turbulent condition—not a new condition, it is true. In spite of, and perhaps even because of the uneasy situation the project of a Central American union had been revived, and a conference of delegates had produced the Pact of San José of January, 1921, an agreement that was wrecked even before it could be put into effect. Nothing daunted, a further attempt to bring these states into more harmonious relations resulted in a Washington conference which adopted in February, 1923, an ambitious program calculated to solve the international problems of Central America, although it did not revive the plan of a federal union. Once more the dreams of enthusiasts evaporated before suspicions of the motives of the United States, quarrels among the republics and internal political disorder. In Honduras a disturbance threatened not only to produce civil war but to bring on friction with European powers whose nationals had their financial interests jeopardized. American marines figured in the restoration of order and American dollars were brought in to fund the debt, under the supervision of an American financial adviser. It was Nicaragua, however, that presented the most serious problem.

Nicaragua and the United States

In Nicaragua a company of marines remained ostensibly as a legation guard but more effectively as a reminder of the power which that little handful represented. As in 1916 the election had been supervised by Americans, so in 1920 an "observer" provided the moral force which prevented outbreaks of violence. President Chamorro, who naturally controlled the election machinery, had the satisfaction of seeing his uncle, Diego Manuel

Chamorro, chosen to succeed him. In 1923 the elder Chamorro died and his place was taken by his legal successor, Bartolomé Martinez, another conservative. As the election of 1924 approached efforts were made to have everything pass off smoothly in order to demonstrate that Nicaragua had passed the tutelary stage and could manage her own affairs. The election, held without observers at the request of Martinez, was said to have been the fairest ever experienced in the country and brought about the choice of two liberals, representing divergent wings of the party, Carlos Solôranzo as president and Juan B. Sacasa as vice-president.

With the campaign over, the new administration in office and everything outwardly peaceful the last American marines were withdrawn. Meantime Emiliano Chamorro, who had been the conservative candidate in 1924, had not been idle. After Solôrzano had attempted to carry on with a coalition cabinet and had made several shifts therein, he was forced by Chamorro, who through bribery got control of the fortress dominating the capital, to dismiss the liberal members of the cabinet and make him, Chamorro, commanding officer of the army. Vice-president Sacasa was obliged to flee the country to save his life. Chamorro was now the dictator while Solôrzano, a mere figurehead, lingered on in office until he was persuaded to resign in favor of the usurper who had consolidated all actual authority in his own hands. The final and definite stamp of approval, recognition by the United States, failed to follow. Secretary Kellogg bluntly notified the Nicaraguan minister that "the government of the United States has not recognized and will not recognize as the government of Nicaragua the régime headed by General Chamorro." But neither could Sacasa obtain any satisfaction in Washington where he had gone to persuade the administration to recognize him as the lawful president now that Solôrzano had resigned.

While all this was going on liberal opposition to Chamorro had been organizing, revolt had broken out and Sacasa had gone to Mexico where he found sympathy and aid. He then went to Guatemala where he was in touch with his friends who were receiving the arms and supplies obtained in Mexico. Nicaragua politics now resembled those of 1910 and 1911 and the same results followed. American war vessels were sent to Bluefields, an armistice was enforced, and an American representative, acting under orders from Washington, attempted to bring the factions together. The liberals, naturally, insisted that Sacasa was the legal president and should be recognized; the conservatives as strongly supported Adolfo Diaz. Chamorro withdrew in favor of a friend who summoned a congress to settle the matter. This body, dominated by conservatives, selected Diaz who was inaugurated in November, 1926, and three days later his government was recognized by the United States.

What might have been expected, followed. Sacasa organized a "constitutional" government and resumed the armed contest; disorder reigned and American marines were once more ordered to Nicaragua to protect American lives and property. The reaction in the United States, however, was not what it had been in 1911 and 1912 for there was a formidable opposition to the administration's course, an opposition which was expressed in public meetings, in the press and in congress. Men like Senator Borah, now chairman of the committee on foreign relations, scoffed at the fears that Bolshevik machinations plotted in Mexico lay behind the Central American disorder. He, like many others, maintained that Sacasa could have been recognized as president with as much legality as Diaz and that he would have represented a larger proportion of Nicaraguan public sentiment. He pointed out that in Nicaragua, and in Latin America as a whole, it was believed that the United States was supporting an unpopular government in the interests of American bondholders and concessionaires in spite of the fact that Sacasa promised to safeguard foreign interests and see that international obligations were met. Disorder continued, more marines were sent to cope with it and the fighting became a series of encounters between these marines and bands of revolutionaries and bandits or combinations of both.

For over a year the struggle went on with criticism in the United States showing no signs of dying out and with a tone of increasing hostility in the Latin American press. At last, through the mediation of Henry L. Stimson, who was sent as special representative of the president, the different groups were brought together and a *modus vivendi* worked out. In 1928 an election was held, again under American supervision, and a liberal candidate was selected for president. Marines, in smaller numbers, were still retained to continue the restoration of order and to combat the small groups of "patriots" who were committed to a program of relentless warfare until the last "devil-dog" had left the country.

The Caribbean Policy

Had all these happenings been in Africa or even in South America, there would have been no intervention by the United States. Nicaragua had the fortune or misfortune to lie athwart one of the principal routes of world trade, a route in which the United States had a special interest; it was close to the Panama Canal, an artery which had come to be considered vital both to commerce and to national defense. It followed, then, as Secretary Hughes pointed out in 1923, that over and above the Monroe Doctrine the United States had a special policy respecting the Caribbean, a policy which would have been evolved had there been no Monroe Doctrine. This policy, pursued by Democratic and Republican administrations alike, had as a central object the prevention of such disorder in that region as might jeopardize the Canal or invite intervention by European powers. When, in 1921, Panama and Costa Rica grew warm in a dispute over their boundary and began to make threatening gestures, they were bluntly told by Secretary Hughes that they must submit their quarrel to arbitration, and this they did without delay. Panama, whether it liked it or not and it was pretty evident that many of its people did not, made in 1926 a new commercial treaty with the United States in which it agreed to co-operate in all ways to protect the Canal and, in any war in which the United States might be a belligerent and if the United States should consider it expedient, would turn over all its territory as well as direction and control of its military operations "during the period of actual or threatened hostilities."

Beyond all this most of the economic development of Central America came from foreign capital and Americans were the investors most heavily involved. This development brought modern conveniences to parts of those republics, raised wage scales and improved sanitary conditions. On the other hand this capital was applied to large enterprises and tended to discourage small independent undertakings which effected profound modifications in the everyday life of the people whom it touched. Naturally the investors wished to protect their interests so they saw to it that the governments were not hostile; in Costa Rica, for example, it was sometimes difficult to tell where the authority of the formal government ended and that of the United Fruit Company began.

This Caribbean policy applied not only to Central America but to the islands fringing the eastern and northern sides of the sea. In the Dominican Republic, where the navy had been the virtual government after 1916, affairs were finally so straightened out that in 1926 the marines were withdrawn and only the financial protectorate remained. Haiti, under the treaty of 1916 which, in 1917, was extended to be in force until 1936, was to all intents and purposes governed from Washington through a high commissioner aided by a group of officials, the marines and a native constabulary with American officers, with the American navy behind him as the actual authority. Nominally, of course, the native government continued, although no congress met for years, but no one was under the illusion that anything was done contrary to the wishes of the American officials.

Haiti prospered materially under American rule. Roads were built, health was improved through medical service and sanitation, education was fostered; banditry and the ever-recurring revolutions of former years were quickly and sometimes ruthlessly suppressed. But the Haitians were not happy under this enforced "civilizing" process. American capital, as it had in Porto Rico, tended to turn the small proprietor, content with the meagre living he could easily gain, into a hired laborer dependent on prices in a foreign market. He resented foreign domination as did the small but cultured group in the cities. Sporadic outbursts like that of 1921 occurred. Sometimes there were protests addressed to congress and to the American public; sometimes there were armed outbursts beating themselves out against the superior force they hated. In 1929, following a series of repressive measures inaugurated by President Borno, there was a more than ordinary expression of opposition to American occupation, and, as in the case of Nicaragua in 1926 and 1927, there was a strong protest in the United States against the conduct of Haitian affairs. So widespread and determined was this criticism and so persistent the representations of the Haitians that President Hoover appointed a commission to study the whole situation, and he intimated that he would be glad to find a way by which the United States could withdraw when the treaty expired in 1936.

Indications of Pan-Americanism

With all these exhibitions of a strong policy in the Caribbean there were manifestations of quite another tenor, of a desire to make the people of Latin America feel that the United States wished to live on terms of good understanding with its neighbors. But those neighbors seemed unable to grasp the workings of the American mind which believed in orderly government and frowned on exhibitions of idealistic aspirations which frequently destroyed the possibility of order. They viewed protestations of friendship, tendered at the same time marines were in Nicaragua or Haiti and pressure, accompanied by talk of intervention, brought to bear on Mexico, as indications of hypocrisy. The failure of minds to meet was manifest when Mexico would send no delegates to the fifth International Conference of American States assembled at Santiago de Chile in 1923, and nothing was accomplished.[1] At the sixth conference, scheduled for Habana in January, 1928, the government of the United States made a special effort to demonstrate to Latin America and to the world that its sole purpose was and had been to help promote order and security in troubled regions and to assist in removing those causes which might lead to more serious international friction. The official delegation was headed by Mr. Hughes, while President Coolidge and Secretary Kellogg were present at the formal opening of the meetings. In spite of Cuba's refusing admission to two Haitian delegates known as severe critics of American policy, in spite of the Argentinian chairman's proposal that the Pan American Union be directed to recommend mutual reduction of tariffs, and of the Mexican protest against continued tenure of the presidency of the Union by the

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[1] Following the first conference in Washington in 1890, a second was held at Mexico City, 1901–1902, a third in Rio de Janeiro in 1906, and a fourth at Buenos Aires in 1910.

United States, it was generally felt that the conference somewhat cleared the air. American intervention in Nicaragua and in Haiti came up for discussion when codification of international law was on the boards, and some of the delegates wanted a flat pronouncement against foreign interference in the domestic affairs of any nation. Mr. Hughes in a public address to delegates and their hosts, the American Chamber of Commerce of Habana, said that, as in the case of Santo Domingo, when intervening in Haiti and Nicaragua the United States was moved by idealism, that the United States would leave Haiti as soon as "we have reasonable expectation of stability and can be assured that withdrawal will not be an occasion for a recurrence of bloodshed." Americans, he said, were "in Nicaragua at the request of both parties; we have no desire to stay. We wish Nicaragua to be strong, prosperous and independent."

While it would be futile to say that what was said and done at Habana made it a love feast, the fact remains that, with some at least, the impression was left that this intervention was not for the purpose of extending political influence or for paving the way for the annexation of more territory. Considerable progress was made in the direction of international understanding by the conventions drawn up to be submitted to the respective governments, especially that having to do with the reorganization of the Pan American Union.

The South American countries, especially those with stable governments like Chile, Argentina, Brazil or Uruguay, stood on a different footing toward the United States than did their weaker sisters about the Caribbean. They resented the implications of the Monroe Doctrine, even while they grudgingly admitted the predominant position of the United States in the western hemisphere, and they stood the more rigidly on their national pride because of this admission. Every attempt to have the United States replace the unilateral Monroe Doctrine with a joint pronouncement of all the American nations was parried; this would not suit the situation at all.

The United States was ready to tender its good offices when friction arose between any of the American states. So, for example, when the old Tacna-Arica dispute flared up, President Harding, in 1923, offered his services as mediator, an offer which was accepted and incorporated in a protocol. This agreement submitted to the president the question whether a plebiscite was a desirable method of settling the issue, and if so how it should be conducted. When it had been determined that this was a satisfactory method of clearing up the matter, there was an *impasse* when an American commission, first headed by General Pershing, tried to find out the feelings of the people in the disputed area. After much bickering Peru and Chile broke relations. Secretary Kellogg essayed the rôle of mediator once more and, in July, 1928, helped the two countries to compose their difficulties to a point where, at the request of both parties, President Hoover formally suggested a solution which was incorporated in a treaty acceptable to both nations.

UNITED STATES AND THE ORIENT

In the orient American relations after the Washington conference were involved principally by disturbed conditions in China which had been adversely affected by the war that gave Japan an opportunity to make demands which threatened her sovereignty. Internal disorder arising from bad economic conditions, conflict between numerous war lords whom the central government was unable to control, a developing sense of nationality which resented the hold foreigners had obtained on natural resources as well as the restrictions on China's sovereignty imposed by the treaty powers, all brought about a very disturbing situation. Out of the chaos came a Nationalist government, the Kuomintang, representing at first only south China but steadily pressing the Peking government back. In 1928 the Nationalists established their capital at Nanking, after they had taken Peking, and set about the task of reuniting China. In international affairs the Nationalists had two principal objects, securing tariff autonomy and abolishing extraterritorial privileges, or court jurisdiction exercised by the treaty powers. By the end of 1928 the first goal had been reached, for twelve countries, including the United States, had acquiesced in China's abrogation of the old treaties and had agreed to new ones embodying the right of China to levy her own customs duties. Extraterritoriality was less easily won, although the United States in common with most of the other treaty powers was willing to dispense with it as soon as there was reasonable certainty that Chinese courts should be able to guarantee substantial justice to foreigners.

The agreements reached at Washington in 1921 had much to do with prevention of a scramble for new spheres of influence by foreign nations during the troubled period. They also were responsible for allaying fears of a Japanese "menace," and it was noticeable that talk about war with Japan gradually died down. In adopting the immigration bill, however, congress gratuitously offended Japanese sensibilities by classing Japan with other oriental nations to which exclusion applied, in spite of the fact that a Japanese quota would have been so small as to be negligible. Aside from sentiment, the weight of which is not easily determined, the exclusion had little significance for Japan where attention was turning to the exploitation of Manchuria and to revised domestic policies to relieve the problems of overpopulation.

Even if the people of the United States as a whole seemed to think that, once the World War was over, foreign affairs were bound to fall again into a secondary place, it takes but a little consideration to realize the fallacy of this belief. A glance at any important newspaper shows that much more space was being given to foreign news in 1930 than was done in 1913. New publications devoted to international questions, influential organizations like the Foreign Policy Association, numerous books dealing with all sorts of aspects of foreign relations, evidence, in fact, on every hand demonstrated that not only were America's relations with the rest of the world more intimate than they had ever been, but that a larger proportion of the population was discovering the fact.

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CHAPTER XXXII

THE MACHINE AGE

The man who can remember the Spanish-American War and the opening of the twentieth century and who pauses to contrast those leisurely days with the end of the third decade must be struck with the vast changes which have come over American civilization in these thirty years. At the close of the nineteenth century people were talking about the "New Age." To what extent it was to be a new age probably few who glibly used the expression suspected. If the nineteenth was the age of power and machinery, then some new designations must be found for the twentieth, for the application of power to supplant human effort was proceeding far beyond the wildest dreams of those who stood before the early steam engines and marvelled at their wonders, or were amazed at the first telephones. No one can predict what fundamental modifications of society will result from this mechanization, although some inkling of what may be coming can be guessed.

The era of steam gave place to the day of electricity and gasoline, a governmental and social organization developing in the days of horse-drawn vehicles and more or less unaided man-power was being refurbished to meet the demands of an economic society equipped with the steam engine; before the task was accomplished the tempo was again changed and society found itself floundering in an attempt to make an adjustment between Victorian concepts—economic, moral, religious, social in the broadest sense—and an ever-developing material progress. It was the old story of changing civilization everywhere and at all times, with this difference: the material changes came so rapidly that there was less to make time adjustments, and consequently the gap tended all the time to become wider.

Consider the production of commodities men need or desire or can be made to desire. With power supplied by steam, electricity, gas or petroleum products, it is possible to make machinery do not only what men did previously with their own hands but to do things unaided man never could accomplish. One man can tend a machine making glass bottles and turn out more and better bottles in an hour than three or four men and boys, twenty years ago, could produce in a week. One concrete mixer driven by a little gasoline engine and served by a few men can make a better product in a shorter time than many times that number of men working with hoe and shovel. The automobile industry, which nowadays sets the pace for so considerable a part of economic life, perhaps illustrates as well as anything this substitution of machinery for men's hands and men's brains. The assembly line takes a bare frame, itself perhaps put together without the direct touch of a human hand, at one end of the belt and releases a completely equipped machine ready for the market at the other. Each of the parts is a product of the same kind of co-ordinated effort in which the number of machine tenders has been reduced to a minimum—although a new minimum may be found to-morrow—and each tender is called upon for a minimum of initiative. "Mass production," the result of making quantities of interchangeable parts, tends to replace the work of the craftsman who built his skill into the finished article.

Mass production, which has been carried further in America than elsewhere, has not yet invaded all lines of production. There is still room for the skilled artisan whose training and whose ability are called upon, but every year, every month indeed, sees the improvement or origination of some device which will allow a man, or even boy or girl just out of school, to do with the training of a week or possibly a day what the craftsman could perform only after a long apprenticeship. New skills and new technicians are called forth by the new devices which, in turn, dispense with the services of dozens, hundreds or more workers. A telephone company in a large city replaces its manual with an automatic system. At the top there is demanded such a degree of skill that no one man can be master of it all; at the bottom hundreds of girls who manipulated the old board are thrown out of work.

Machines have, in the last fifteen or twenty years and particularly in the last ten, given rise to what has been called "technological" unemployment, the unemployment that comes from the substitution of mechanical appliances for manual and mental labor of men and women. Think of the change brought about by the use of various types of adding and calculating machines; a few highly trained experts, some machines with a few men or girls to punch their keys, and the work which required days from a large force of persons trained for the job is better done in a few hours. Intricate calculations requiring hours of concentrated mental effort by a mathematician can be completed in a few minutes if the requisite data are fed into a machine which makes no errors. Each mechanical advance frees men and women as a group from toil, often uninteresting and monotonous toil, but at the same time this "progress" relieves some of them of their jobs. New techniques, it is true, are demanded to make these machines function, but the new technicians are few as compared with the workers previously employed, otherwise there would be no change, since the principal reason for employing the contrivances is to save labor costs.

Machines require speed and accuracy even if they do reduce actual physical and mental labor. This places a premium upon youth and the tendency is more and more toward discrimination against older people. Employers hesitate to hire men of forty-five or over, even forty is becoming the deadline in some industries, because their reactions are slower. The assembly line must keep an even pace and one cog must not be allowed to slow up the whole process. The middle-aged man who, for any reason, loses his job may count himself lucky if he can find other employment of a less exacting nature at a reduced wage.

Economic emancipation of women adds another complication to the situation. Machines have done away with much of the drudgery of the home both by the introduction of mechanical devices which do more easily and rapidly what was once universally done by hand, and by placing the products of machines outside the home at the disposal of the housewife at a cost actually or apparently less than that for which she could fabricate them herself. Electric washing machines, ironers, sewing machines, vacuum cleaners, floor polishers, dish-washing machines and many other devices combine with commercial laundries, bakeries, package foods, or garment factories to free many hours which may be occupied with the movies—talking pictures now—bridge, "shopping" or with gainful work unconnected with the house. Some are lured into part- or full-time outside work, others are driven by the whole economic system into a steadily increasing variety of employments. Not so very many years ago a woman could look forward to marriage and a home of her own, presumably the goal of all womankind, or, if these were denied, to domestic service, teaching, clerking, stenography, or the position of an unpaid but usually overworked servant in the home of a relative. Now ancient taboos disappear before machines and women compete with men in an ever-growing list of occupations, demanding equal pay for equal work. For a time expanding industry readily absorbed this new supply of labor along with that flowing in from the farms and from abroad. The last few years, however, have elicited complaints that women, with few or no dependents, compete with men for jobs which they can afford to take at lower wages than the men who wish to maintain the standard of comfort to which they and their families have become accustomed.

In some degree what has been taking place particularly since the opening of the World War is similar to what occurred when the industrial revolution came to European and American society a hundred years ago. Then as now there was dislocation of labor, unemployment on a large scale and years of painful adjustment to new conditions. The principal difference now appears to be in the magnitude of the maladjustment rather than in its character. The new industrial revolution has not brought the utter destitution and misery that characterized the first half of the nineteenth century, the misery of tenement slums, poverty, child labor, that, especially in England, exacted a toll which is still being paid in stunted forms and degraded faces, but it remains to be seen whether mankind has learned anything from the past and can devise means of averting the evils which accompany every social change.

On the one hand the expectation of life is rising, what with better methods of sanitation widely applied and improvements in medical science more nearly within the reach of all. On the other hand there is the tendency to mechanize work and deprive a constantly increasing number of persons of the labor which will allow the comfortable utilization of these extra years.

There is another side of the shield. There is no question that a larger proportion of people, at least in the United States, live in greater material comfort than ever was the case before. Each new industry which has put upon the market a really practicable or useful product within the reach of millions not only has contributed to greater ease and pleasure but has, in many cases, given rise to new industries and the development of new skills. So, for instance, when the Ford Motor Company in one month of 1929 turned out over 8000 cars, it not only meant activity in mines, forests, glass factories and other contributory industries, but meant employment in garages, service stations and the like, and each of these in turn stimulated other activities. This in part helps to draw a veil over the closing of those factories for a year and throwing thousands of men out of employment. Machinery has emancipated mankind from an incalculable amount of drudgery and monotonous toil; it has widened horizons and expanded the range of activity. Leisure has increased where power and the devices for its application have allowed more production in a shorter time. The five-day week as well as the eight-hour day have come in some industries while efficiency experts point to the possibility of still further reducing working hours with no lessening of production.

All this mass of production must find a market. Many of the articles were new, like the radio and scores of electrical devices, and these must be brought to the attention of potential purchasers who must be made to realize the existence of a long-felt want. "High-pressure" salesmanship developed with increased production and advertising assumed an importance never before imagined. Thousands and frequently millions of dollars would be used to introduce a new article or a new model of an old one. Popular magazines and newspapers would carry pages of alluring description; radio programs with national "hook-ups" spread the joyful tidings to all who were minded to tune in; while billboards, desecrating the countryside, blatantly proclaimed the virtues of a motor car, a cigarette or some brand of chewing gum.

Once the ball was started it must be kept rolling. Distribution was costly, what with all the devices employed to attract attention, and production must be maintained and expanded to meet the mounting costs, and, indeed, to make the number of items turned out sufficiently large to warrant mass production. So the market must grow. Capacity to buy could not keep up with the need for sales, hence there came a tremendous extension of credit to almost anyone who could be induced to accept it. The old instalment buying became dignified as "purchasing out of income." Radios, automobiles, electric refrigerators, clothing, furniture, nearly everything from necessities and articles of comfort to all sorts of luxury commodities were thrust upon a buying public for a "little down and less each week." This forced development of the market was beginning to raise the question whether it would not soon mean a slackening of consumption and consequently of production; in time the cumulative effects of all this mortgaging of the future might induce people to resist the allure of a different color on a new automobile or the advantages of a "screen gird" when the year-old receiving set seemed to be giving satisfactory service. Signs of such a development were beginning to be observed toward the end of 1929. Optimists, however, continued as usual to proclaim the prosperity of the United States and the desirability of greater consumption, while high-pressure salesmen tried to find something to make the pressure more insistent.

Another price has to be paid for the new industrial revolution. Inventions and improvements in methods tread so rapidly on each other's heels that a device may become antiquated long before it is worn out. That raises the question whether it is better to scrap obsolete machines, whether they be automobiles or looms, or discourage the use of improved ones by deliberately preventing their introduction to the public. Answers of both kinds are made daily. In the aggregate, however, there is enough change to bring about an enormous waste of articles still usable. It cost much more to change New York's telephones to the dial system than it cost the United States to dig the Panama Canal; some of the equipment could be salvaged, some could be utilized elsewhere, but much became waste worth only scrap prices. If this constant change were only a matter of money cost it would not be so significant, but it does not end there. The industrial nations of the world are using the resources of nature at an alarming rate. Iron, coal of the better grades, petroleum, copper and other minerals are being used at a rate that promises exhaustion of supply within a calculable time, unless deposits now unknown prolong the period somewhat;

forests are disappearing with practically no thought of the future, for, since Roosevelt's day they have had no outstanding champion. The saddest part of the affair is that these materials are in so large a degree being made into things which have no utility or one so slight that they are cast aside almost immediately. No one, apparently, has calculated how many acres of forest are sacrificed each year for "greeting" cards, although there have been estimates of the thousands of feet of lumber necessary to print the Sunday edition of a great daily newspaper.

The new machine age brought about another burst of consolidation of production agencies which nowhere reached greater heights than among the organizations which supply the power to make extended use of machines possible. At the opening of the twentieth century the movement to combine public utilities producing electrical power was in its infancy. During the next thirty years small plants, locally owned and serving a limited area, became less numerous each year as they were brought under the control of holding companies or merged with larger units. At the moment, certainly, the public did not suffer, for, while the general average of prices in 1929 ranged approximately 70 per cent higher than in 1913, cost of electric current either remained the same or was actually lower. As the mergers continued, however, some people began to worry lest eventually the whole system should be dominated by a small group of men. Not only had most of the power sites passed into private hands, but there were combinations of mergers already existing; Electric Bond and Share, Electric Bond and Share Securities and Electric Investors, each a holding company controlling numerous units of production, in 1929 combined into a single company which, through its subsidiary, American and Foreign Power, extended its operations into South America and Asia. Great banking houses, like J. P. Morgan and Company or Drexel and Bonright, began to enter the power field by acquiring stock in existing combinations or promoting new ones.

Opposed to this concentration of control of electric power was a strong public sentiment in favor of government ownership and control, particularly where electricity was or might be developed by water power. One of the hardest fights Governor Smith had on his hand in New York was that to prevent the acquisition of remaining water power by private interests. A long struggle was staged in congress over the disposition of the Muscle Shoals development of the Tennessee River in Alabama where, during the war, the government had begun the construction of a nitrate-fixation plant capable of developing 260,000 horse power with an ultimate capacity of over 600,000 horse power. It was a contest between those who favored government control and management and those who would have congress lease to private operators. The discussion went on through ten years with neither side winning a decisive victory.[1]

When the United States Steel Corporation was organized at the beginning of the century with a billion-dollar capitalization it was thought that the last word had been said. After 1914 and especially after 1920, however, there was a notable increase in combinations as well as further integration of complementary manufacturing organizations. United States Steel and Standard Oil no longer occupy unique positions since they have younger brothers of gargantuan size in such concerns as General Motors, with numerous branches producing cars at almost every price range, automobile bodies, ball bearings, electric refrigerators and radio receiving sets; or the Ford Motor Company with its mines, forests, glass factories and whatnot, or the Radio Corporation of America. A classification of major combinations in 1930 would include a far greater number than the seven that John Moody put in the first rank in 1904.

Along with integrations and combinations in production came similar large-scale organizations in merchandising. Chain stores invaded nearly every city in the country. Drug, grocery, clothing, hardware, tobacco and a long list of other chains entered the area previously supplied by the locally owned shop and forced that into more or less closely knit unions or alliances which, in themselves, represented but another phase of consolidation.[2]

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[1] Attacks were made on power companies particularly and public utilities in general on account of the methods used to build up a sentiment against public control; investigations showed that these organizations had influenced the writing of textbooks used in public schools, subsidized speakers who had no ostensible connection with public utilities, and proposed to secure a chain of newspapers.

[2] In the winter of 1929–1930 there was started a concerted drive against chain stores. Various broadcasting stations were used to conduct a drive against these organizations; newspapers were utilized, especially in the smaller places. In some parts of the country, especially in the south, the campaign began to show results.

The great mail order houses, which for years had their principal clientele among those having no easy access to merchants stocking commodities in wide variety and quantity, in the decade after 1920 made rapid strides in establishing retail stores in large and small cities, especially in the Mississippi Valley and westward. "Five and Ten" or "Five to a Dollar" stores could be found in almost any town from one coast to the other. All these branches had their policies fixed, their prices determined their "sales" planned, at the general headquarters; they had their financial backing in the larger banks of the country rather than in local institutions, and their securities were listed on the New York Stock Exchange or at least on the curb.

Expansion and extension of producing and merchandising had much to do with still another type of consolidation, that of the banks themselves. The unit bank, locally owned and managed, receiving deposits from and making loans to people of the community, was long considered one of the bulwarks of American economic life. It fought and defeated two United States Banks; it forced the national banking system to conform to its fundamental idea; it prevented the Federal Reserve system from being a centralized financial agency. The war hit unit banks hard, but even after the war and after the depression of 1920 had lessened, small banks all over the country continued to fail. Between 1921 and the end of 1929 nearly five thousand out of 30,812 banks had failed, most of them small banks in small communities. By 1930, while the total of bank deposits had notably increased, the number of banks remained under 26,000, an apparent discrepancy accounted for by mergers and consolidations.

At first there was a trial of branch banking similar to what existed in Canada, England and in various continental countries, but the prevalence of the unit banking idea caused congress and the legislatures of most states to prohibit the device. In some ways, however, state-chartered banks were not so rigidly restrained as were members of the Federal Reserve system hence there was a tendency for the latter to surrender their national charters and take out those allowed by state law. In 1919 the McFadden act had allowed members of the Federal Reserve system to establish branches; that is, branch offices within the limits of the cities where they were located provided this was not prohibited by state law. Such a limited permission, however, did not satisfy. Moreover, a national bank could lend an amount not more than ten percent of its capital and surplus to a single borrower, and houses doing a business of two to three hundred million dollars a year had to find more liberal accommodations than most national banks could afford.

Just as the anti-trust law of 1890 or the Clayton amendment of 1914 failed to prevent consolidation in production, so the prohibition of branch banking was circumvented by group or "chain" banking. Corporations were formed to purchase the stock of individual banks and in a few years the movement grew to considerable proportions. By the beginning of 1930 nearly 250 bank stock corporations owned some 1800 banks; several of these mergers represented a half billion in deposits and three of them each included banks whose deposits aggregated over a billion. It was the old device of substituting a holding corporation for some closer union which could be more closely supervised. Each bank thus gathered in remained the legal entity it had been before with its own officers and directors, but the determining policy emanated from the directors of the bank stock corporation. Branch banking appeared, then, without the name and without the safeguards entailed by that system.

The increased tempo of living raised problems of social adjustment which the code of morals and legal restraints suited to entirely different economic standards do not fit. Economically emancipated, women no longer necessarily looked upon marriage and the direction of a home as the only desirable goal; if married they were not obliged to put up with conditions which became too irksome, since divorce in most states was a fairly easy matter. The institution of marriage itself, the place of the home in society, the relation of parents to the training of children, all became subjects of new evaluation and criticism. Various alternatives and modifications were advanced: pre-school training for young children, experimental but pointing to a wider extension; "companionate" and trial marriages; greater intrusion into the home by school and other civic organizations; these indicate but a few of the ways in which the breakdown of existing ideas and customs was proceeding. Every innovation and suggestion raised a protest from the majority of people whose moral and institutional notions were formed under Victorian influences and who failed to see the inconsistency between their protests and their acts.

No greater discrepancy between ingrained notions and hard facts was found than in the inadequacy of agencies dealing with those social maladjustments called crime. After the World War newspapers seemed to record crime as of greater frequency and magnitude than it had appeared at any time in the past. In part this was mere appearance since improved facilities for gathering and disseminating accounts of spectacular occurrences, added to a belief on the part of editors that the public was most interested in this kind of news, led to an emphasis all out of proportion to its relative significance. In part, however, there was a basis for the belief that things were different. The potential and actual lawbreaker discovered that he could use the new mechanical devices, particularly the automobile, to outwit the machinery calculated to deal with law infractions. Ease of transportation placed in the hands of the lawbreaker an aid that he was not slow to use. Somewhat tardily the police themselves, when funds were supplied, turned to the new instrumentalities for aid in outwitting the criminal, utilizing the radio and high-powered cars. Moreover, the very devices built up in earlier days to safeguard the individual from the state's intrusion upon his rights were turned to defeat the administration of justice. For many years the United States had led the "civilized" world in the relative number of homicides, yet the proportion of apprehensions and particularly of convictions is smaller than in any country of Europe; jails and penitentiaries are crowded with lawbreakers, yet any person in a position to know admits that many more criminals escape punishment than receive it. The very instrumentalities used to deter men from crime frequently lure or drive them into it. Chief Justice Taft had the concurrence of the National Economic League, the president of the American Bar Association in 1929, and all the most competent observers, professional and lay, when he said that the administration of criminal justice in the United States was a disgrace to civilization.

The spirit and the letter of the law came to be much more lightly regarded than in pre-war days without the excuse that had been advanced earlier; namely, that it was a new country and such things must be expected here. When one considers that the people of the United States are not aborigines hastily thrust into an alien environment, but descendants of Europeans for the most part, the excuse of youthful indiscretions becomes threadbare.

To some extent this disregard of law came from a failure of the law to conform to what many considered common sense: witness the struggle to work out a satisfactory and uniform system of traffic regulations; hardly a motorist drives his car a week without violating one and perhaps many regulations, and yet he would indignantly deny that he is anti-social and criminally minded. More serious were the problems raised by attempts to enforce the laws enacted to enforce the Eighteenth Amendment. Ten years of "prohibition" failed to prohibit the manufacture and sale of intoxicating beverages. On the contrary they introduced a new class of lawbreakers who, by a considerable portion of society, were not classed with other misdemeanants and criminals. In spite of the expenditure of millions of dollars by the federal government and other millions by those states which chose to co-operate in the attempted enforcement, the problem of effective prohibition seemed little nearer in 1930 than it did in 1925. Fundamentally it meant that a very large portion of the people, how large no one could tell, regarded the amendment and its enforcing laws as unsound since they did not conform to the dictum that a law should embody the settled conviction of society; in other words legislation should be the last rather than the first step in registering a change of custom. In those parts of the country where a sentiment against the use of alcoholic liquors had been strongly developed enforcement presented no especially serious problem; urban centers where that sentiment was not strong flouted the law almost openly.

An intricate social organization, prohibition and the automobile combined with a considerable degree of indifference on the part of a public which failed to provide adequate, intelligent and well-paid police made a setting for a form of anti-social activity which, if not altogether new, attained the proportions of a genuine menace in many large cities. "Racket" was a term which entered the American vocabulary to indicate a method by which gangs of lawless persons could exact tribute from various trades and callings. Through threats and actual terrorization which went as far as bombings, arson and even murder, shopkeepers and proprietors of various businesses were forced out or were obliged to yield to the demands of the organizers of the racket. Probably every large city had its experience with racketeers, but Chicago attracted most attention by the number and size of those organizations. The public, of course, paid the bill through increased charges for commodities and services. As in so many other situations it was an illustration of society's developing the material side so rapidly that not only did its protective machinery break down but it failed to grasp the fundamental changes involved. Disgusted with the inadequacy of legal measures for security some compromised with the racket to get the protection they could not find elsewhere. A Chicago business man was reported as saying: "Since I employed a racketeering organization to protect me its protection is so efficient that I have no further need for police, prosecutions, and courts."

Five desperate attempts at jail delivery in 1929 concentrated attention on the problem of crime and its prevention. Twice at Auburn, New York, and once each at Dannemora, New York, Canon City, Colorado, and Leavenworth, convicts made concerted attempts to break away; in each case the effort was accompanied by bloodshed and much destruction of property. Weapons and ammunition had been obtained, not a difficult affair when one considers how little intelligence and honesty could be hired by the wages state authorities were willing to pay keepers, guards and the other employees. Explanation of these outbreaks ran all the way from those which emphasized the inadequacy of the whole penal system to the conviction that these men, most of them old offenders, merely wanted freedom in order to get their share of the plunder which criminals outside were taking.[1]

In the midst of all this material expansion and change it was inevitable that education, religion, moral standards, literature, art, music and all those aspects of life called, in the narrower sense, cultural, should be affected. After the war the rush to schools and colleges was on such a scale that those charged with administering the institutions were overwhelmed with the burden. Demand for secondary education, stimulated by child labor laws and made possible through machines which did the work of hands, taxed available equipment and teaching forces so that costs grew by leaps and bounds. Still more notable were the throngs of young men and women who desired a college education. In 1900 about 112,000 were enrolled in the colleges and universities of the country; by 1914 the number had grown to just over 200,000; but in 1927–1928 registration was reported as 919,381. In spite of increased living expenses and tuition fees that were doubled and sometimes trebled, the flood continued to rise. State-supported institutions asked for larger and larger appropriations while private colleges and universities put on drives to increase their endowments.

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[1] In twelve months from the latter part of 1928 there were 7000 holdups in four states which brought $22,000,000; only 12 per cent of the perpetrators of these crimes were apprehended and only 4 per cent of the loot recovered. *Review of Reviews*, Feb. 1930.

Laudable as was the desire for better education the movement brought new social problems of no small importance. There was the question of the cost itself: how far could society tax itself in money, and in energy turned from production, to meet the expense of such a program? More pressing was the problem of finding "white-collar" jobs for so large a proportion of the population, of steering into other lines of activity those who would benefit themselves and society more by pursuing another route to a life work, and of adapting formal education to the needs of all these people. The very fact that machines were releasing so much man power as well as providing so much more easily the things men needed, furnished the answer to a part of the question. New skills and techniques opened places for more trained workers. Nevertheless a residue of the problem remained for society to struggle with.

This very rush into institutions of higher education contributed one factor to a peculiar yet, after all, natural phenomenon. Emphasis on natural sciences and the influence of scientific methods on other branches of learning, especially those dealing with social relations, alarmed many who feared that "godless" colleges were in large degree responsible for increasing neglect of formal religion.[1] Attendance on church services fell off; Sunday observance was far from strict. The younger generation was going to the dogs in the day of jazz and speedier living, and, said these alarmists, that was due to defection from old beliefs which were being undermined by the instruction received in schools and particularly in colleges. Colleges were accused of harboring radicals who not only questioned certain religious dogmas but, what was perhaps as terrifying, raised doubts about some beliefs which had been looked upon as basic in society, such as the relation of the individual to the state, the validity of the capitalistic system, or the relative importance of man and property. While it was a fact that American colleges and universities were more conservative than those of almost any other country of the world, it was impossible to impress this fact on those who thought that the foundations of society were being sapped by atheism and bolshevism.

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[1] Nevertheless there was an increase in total church membership as reported in 1916 and 1926 from 41,926,854 to 54,576,346.

The World War was a tremendous mental shock. Then, during and after it, came those upheavals which overturned the existing order in Russia, brought in labor, socialist or communist governments in central Europe and made profound changes in much of the rest of the world. No wonder there was fear that the pillars of society were being thrown down. Intellectual radicalism threatened to destroy hopes of heaven while economic radicalism menaced property on earth. The two seemed to spring from the same root and the way to destroy them was to cut that root; namely, questioning of and perhaps disbelief in the existing order of things. The attack centered on the theory of evolution, Darwinism, to use the term which seemed to connote that whole complex subject. Fundamentalism, which meant belief in the literal word of the Bible and repudiation of any teaching of science which ran counter to it, was the doctrine; the Ku Klux Klan, to a considerable degree, was the instrumentality which for a time was used to fight evolution and its teaching. All Fundamentalists were not Klansmen, nor did the Klan confine its attention solely to theological issues, but in general Fundamentalism was strongest where the Klan flourished. The Klan emphasized the constitution of the United States and the existing order; it was anti-Catholic, anti-alien and anti-radical. Quarrels within its ranks, exposure of mercenary motives and irregular financial activities of some of its high officials discredited the organization so that after about 1927 it began to decline; it was, nevertheless, still a factor to be reckoned with in the campaign of 1928, especially in the south and southwest. Fundamentalism showed that it had a strength apart from the Klan, for it did not decline equally.

Strife between Fundamentalists and Anti-Fundamentalists produced schism in almost every Protestant sect with the former more vocal and frequently better organized. Until his death in 1925 William Jennings Bryan was the leader of the Fundamentalist faction of the Presbyterians and was generally looked to as the foremost champion of all Fundamentalists. He used his oratorical gifts to appeal to audiences of thousands to strike at the teaching of evolutionary theories in tax-supported schools. His efforts, seconded by those of many others, pushed through a few legislatures laws which were calculated to accomplish this design, and caused considerable worry to those who opposed this kind of legislation when it came up in other states. Tennessee, where one of these laws was enacted, attracted world-wide attention to itself with the trial of a young school teacher accused of violating the statute.

Fundamentalism was and is a natural phenomenon. It was a reaction to the re-evaluation of creeds and beliefs stimulated by the extension of the bounds of knowledge and by the application of discoveries to everyday life.

The new science has changed habits of action and of thinking in numberless ways. It has massed people in cities where individual homes disappear before apartment houses, and congested business districts bring into being new types of architecture with emphasis on mass and proportion rather than on ornamentation. It has made confusion worse confounded in attempts to solve the problem of moving people from place to place. The automobile extended suburbs already started by steam and electricity; it stimulated travel until the places unfrequented by tourists are hard to find. At the same time it has made man dependent more on machines than on his own muscles. Recreation has fallen back more and more on machine-made amusements. Along with more extensive participation in outdoor sports like golf, tennis, swimming, and the rest has come a dependence on others to perform for the amusement of spectators and audiences. Moving-picture theaters, the phonograph, the radio and mechanical musical instruments afford diversion with a minimum of mental or physical exertion on the part of those entertained. Millions sit on benches to watch a handful of baseball, football, basketball or hockey players or a couple of prizefighters perform for them as did gladiators before a Roman crowd.

Standardization in things people use tended to produce standardization of everyday habits. Sectional and local differences still persisted, but the inroads made by the automobile, newspapers, the radio, moving pictures, popular magazines, or billboards tended to wipe out these differences with a rapidity never before experienced. Probably on the whole this meant greater comfort and ease of living for millions, but desirable and worth-while cultural factors disappeared with those which were no loss to society.

The man who seeks to show that society has been emancipating itself from the restrictions and encumbrances of the past can find plenty of evidence to substantiate his contentions; he can point to the time when, on the testimony he can marshal, poverty, disease, and all the other ills of mankind will be things of a dead past. The pessimist, however, is equally able to find enough facts to make a good case when he argues that society is headed for chaos, when mechanical contrivances will have destroyed initiative and the individual will have become the victim of the machines he created. It simply depends on one's natural instincts, his training and the sort of experiences which have come his way whether he views the world of the future as a Utopia, glorious beyond the dreams of any romanticist, or as a soulless machine served by a few superintellects and a mass of unthinking robots.

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